The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 4, 1939

Burma-Yunnan Road Hazards

EDITORIAL CORRESPONDENCE

U. S. Senate and Guam

AN EDITORIAL

Chiang Pledges Democracy

The Gateway to Free China

BY GERALD L. G. SAMSON

Big N. E. I. Defense Budget

Cooperation by the Powers

BY C. T. W. MENG

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WRITER SUPPORTED

To The Editor:

I wish to convey to Mr. Marc T. Greene my keen appreciation of his very genuine sentiments as disclosed in his articles in the **China Weekly Review**, and in particular his repeated and prophetic warning to China not to yield to a possible "Far Eastern Munich" dictated by British commercial interests. It is my earnest wish that the higher-ups in the Chinese government ponder his important message, and that China may fight on to the end against Japan's military-fascist ruthlessness.

Personally, I share Mr. Greene's conviction that if the bourgeoisie and intelligentsia of China had been made to bear an equal, if not greater, share of the burdens of war now borne by the masses, China's resistance might ere this have had a happy issue. It is here that the source of China's chronic trouble lies. Because we face a foe who will never compromise—who cannot now compromise!—private or public money in private pockets is more dangerous than arms in the hands of the enemy.

God alone knows whether my country, under foreign pressure at this very moment, is contemplating an "honorable peace" or will stick it out to the bitter end, regardless of the cost. But I feel sure that the sound judgment of our masses will dictate a victorious destiny.

S. Y. LIVINGSTON HU.

Tsun-yi, Kweichow, Feb. 17, 1939.

"IT TAKES A MONTH"

To The Editor:

Sometimes it takes a month for a copy of **The Review** to reach us in this city which is about 300 li west of Yuanling. But we are very eager to read the paper and anxiously await the arrival of the next issue after reading the last one.

Hsiang Hsi Agricultural Experiment Station

Chienchen, Hunan
Feb. 5, 1939.

TROUBLE IN BURMA

To The Editor:

As you undoubtedly know, there is serious unrest here....Fundamentally, it would appear that the unrest is due to economic reasons, the masses are desperately poor—plus a political nationalism, the bug having reached here from Europe. The Japanese, as one would expect, are utilizing the unrest for their own purposes, and are getting away with a lot of subtle propaganda. I have done everything possible to explain to the Burma Government (which is both Burmese and British) the real situation in China and am happy to say that I found everyone friendly and have received a very good hearing.

G.

Rangoon, Feb. 18, 1939.

WHO RUNS GAMBLING?

To The Editor:

Much has been said and printed about Japanese and Ta Tao responsibility for the gambling institutions which have sprung up in the Jessfield area. Both are responsible, obviously, because the houses are located in territory which is controlled by Ta Tao and Ta Tao is controlled by the Japanese Army. It is said that the rake-off is split in several ways, the major portion going to Ta Tao and ronin-gangsters connected with the Japanese SSS (Special Service Section).

But there is another element that has not been mentioned in any of the reports which the writer has seen; I have in mind the professional gamblers, or operators of the various games. In the "Hollywood" place, most elaborate of the houses, all of the operators are Cantonese and all of the talk among the employes is Cantonese dialect, quite familiar to one who has visited the gambling houses at Macao or the Casino on the border between British and Chinese territory at Hongkong. When the Japanese invaded south China, the professional Cantonese gambling gentry went scurrying into Hongkong and I would wager a good sum that all of them are here operating the games at Jessfield.

As I remember, the head of the old Kwangtung syndicate was Fok Chi-tung who, in the good old days of Gen. Chen Chi-tang paid the Canton administration two and a half millions yearly. The crowd that is operating at Jessfield includes many amateurs, but there are also many experienced master-minds who who know their way around in the Far East, or anywhere else in the world where major-scale gambling is permitted. Since these people are Cantonese or Macao-ese and tribe-loyal to the nth degree, it is more than likely that Jessfield profits ultimately go toward. . . . I leave the rest to the imagination.

VISITOR

Shanghai, Feb. 28, 1939.

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DEVELOPMENTS IN THE INTERNATIONAL BATTLE OF PROPAGANDA

RECENT issues of American news magazines (*Time and Newsweek*) contain an amusing story of the curbing of an Italian-subsidized crooner who was broadcasting anti-British propaganda from radio stations in Cairo, Bagdad, Damascus, Jerusalem and Near Eastern outposts. The crooner was Abdul-Wahab, described as a sleepy-eyed Mohammedan producer and singer of romances with himself in the leading role. The Italians quickly saw possibilities in Abdul-Wahab's broadcasts which were so popular that Arabs were willing to listen to Italian anti-British propaganda in order to hear Abdul's thrilling romances.

About a year ago the British became aroused to the significance of the Italian broadcasts to the Arabs and began a series of programs in Arabic designed to counteract the Italian radio propaganda. The chief crooner to profit from the competition was Abdul-Wahab, who had been working for the Italians. He raised his price for a single program to the equivalent of U. S. $400—which the Italians were unable to pay, but which the British gladly paid in order to get the popular Arab crooner on their side. Then for an extra bonus, which brought his fee to U. S. $625, he sang in Arabic an "ode to Shakespeare," for the backers of British culture and to the deep discomfort of his previous Fascist supporters.

⁂

That European governmental propaganda agencies are paying more and more attention to Shanghai and China audiences have been indicated in further amplifications of "anti-comintern" news-links between the official Japanese *Domei* service and the Italian *Stefani* service, the last-mentioned being a new-comer in this field. The *Stefani* reports now occupy a considerable portion of the regular *Domei* sheets which are delivered to local newspapers. Much of the *Stefani* service distributed here is of a propaganda nature concerned with Italian world politics, which under ordinary circumstances would not be delivered to newspapers in this part of the world. (The subject of propaganda news developments here was previously discussed in these columns on Feb. 11.)

A few examples will suffice to show the tendency of these Italian reports which are now being distributed through the official Japanese *Domei* news agency. Everyone naturally is familiar with the present crisis in the relations of France and Italy, hence will appreciate a *Stefani* dispatch distributed by *Domei* on Tuesday of this week. The dispatch was dated at Berne and stated that armament orders from France "would alleviate unemployment in Switzerland . . . . as 1,000 workers at a munition plant at Bienne were assured of work for at least eight months to supply the French army." The same day (Feb. 28) *Domei* distributed another dispatch alleging that France was dispatching fresh aviation squadrons to Algiers. On Feb. 23 *Domei-Stefani* announced that the French diplomatic mission to Gen. Franco in Spain, which was headed by Senator Leon Berard, had "encountered complete defeat," causing France to give up every condition which had been asked for recognition of the Franco regime. A later dispatch bearing on the same subject said that the efforts of Britain-France to influence Gen. Franco through granting him recognition had failed . .. . Franco would remain true to the Rome-Berlin axis . . . ."

On Feb. 18, the *Domei-Stefani* news hook-up referred to Anglo-Italian tension and quoted the Tokyo daily *Yomiuri Shimbun* as declaring that Italy—since the conquest of Ethiopia—had concentrated her entire energy on an advance toward the Mediterranean "which Britain regards as her life line . . . . it is therefore no wonder that Italy apparently is determined to resort to force if necessary for the development and protection of her interests along the coast of the Mediterranean.

And not without its amusing elements was another *Domei* message—from German sources this time—quoting some Nazi official as declaring that Germany in her colony-recovery program, had no intention of grabbing the Marshal and Caroline Islands in the South Seas which Japan had seized from Germany at the outbreak of the World War in 1914. The reason for this strange German self-denial was said to be the fact that the former German islands in the South Pacific were mere "chicken-feed" when compared with the vast holdings in Africa which Britain had taken away from the Germans during the war.

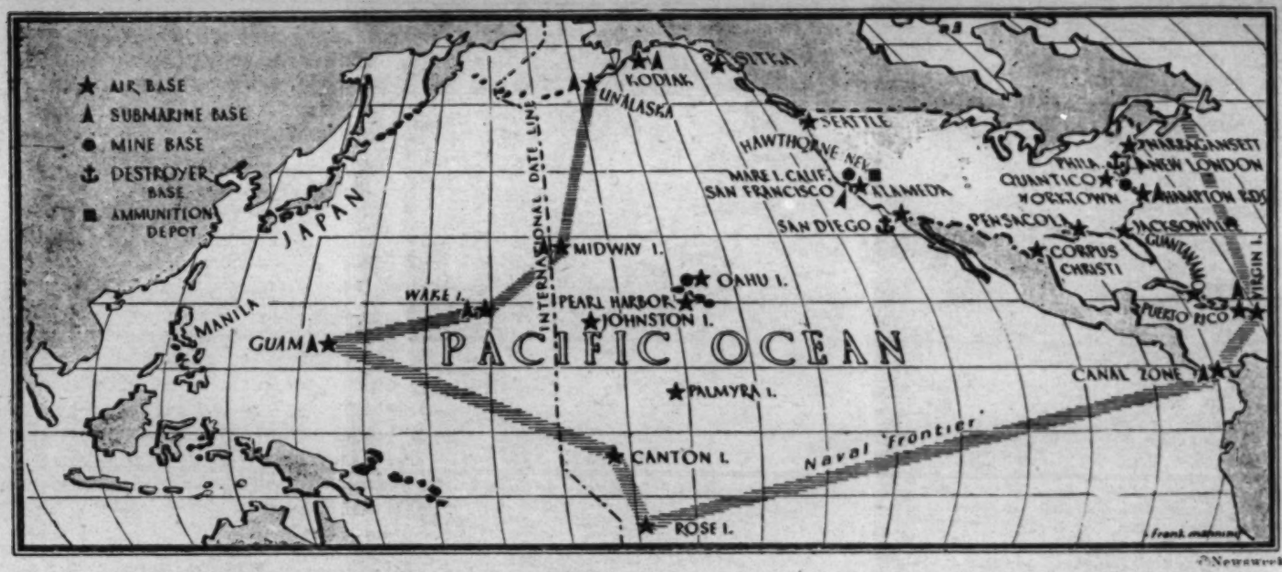
Reference was also made in our prevous article to reports of an anti-American character which were being distributed in China by the German *Transocean* news service. There was a further indication of this on Monday of this week when *Transocean* (Berlin dispatch) quoted the Italian tenor, Signor Benjamin Gigli, who apparently had just returned to Rome from an American tour. Signor Gigli was quoted as stating that the atmosphere in America was "stifling," and that America's "true face had been revealed . . . . a terrible state of mind, compounded of nervousness and cynicism . . . . which was sweeping aside all human values." He found signs of a material and spiritual crisis approaching with "corruption and blackmail polluting the atmosphere," making it almost unbreathable . . . . unemployment had grown to 12,000,000 . . . . and apalling scenes caused by waste and starvation . . . . unrest of an ominous kind was being engendered by Jewish-controlled syndicalist trade-unions which were throwing American citizens, especially those of Irish descent, out of jobs in order to find work for Jewish immigrants . . . . Artistically, America was rapidly deteriorating . . . . even the New York Metropolitan Opera Company was on the downgrade and was employing persons . . . . of doubtful artistic ability. As a parting shot he declared that there was a possibility of an outbreak of civil war in the United States.

Will the Senate "Put Guam Back" in the Pacific Fortifications Scheme?

THE U. S. House of Representatives, on Feb. 23, passed almost unanimously (368 to 4) the so-called Naval Base Bill, which provides for an initial expenditure of U. S. $52,000,000 on the development of ten major naval and air-bases in the Pacific, including Midway and Wake Islands, which are important links in the American air-route to the Philippines and China.

But while passing, with slight opposition this important measure, of vast significance at present due to the Sino-Japanese crisis, a small coalition of isolationist Republicans and Democrats got together and defeated the clause in the Bill providing for the fortification of Guam Island, located 1,200-miles directly south of Japan and an almost equal distance east of Manila.

Position of Guam in Pacific Defence Scheme



This map, reproduced from *Newsweek*, was published prior to the debate in Congress and rejection of the Guam project, referred to in this article. A previous article appeared in *The Review* on Jan. 21, Page 228.

According to *United Press* dispatches from Washington published in the *North-China Daily News*, the defeat of the Guam provision followed a bitter debate regarding the advisability of extending U. S. defenses too far to the West with possible consequences of antagonizing Japan "through the construction of a strong base so close to Tokyo." The *U. P.* correspondent stated, that despite the defeat of the Guam proposal, the passage of the Naval-Air-Base Bill will give the United States a new and powerful defence line reaching from Alaska to the Philippines via Midway and Wake Islands, both of which will be greatly strengthened.

The opposition to the Guam provision was led by a Republican congressman named William Sutphin from New Jersey. He was joined by most Republicans, excepting those from Pacific Coast states, who favored the fortification of Guam. After a two-day debate the Guam provision was defeated by a vote of 205 to 168. The closeness of the vote (majority of 37) led many to believe that the question may be reconsidered after the Senate has acted on the measure, or when the Senate and House Bills are considered in conference. Under the American legislative system, the Senate and House may not pass similar bills, but the differences in the measures are smoothed out in a conference of senators and representatives afterward. One Senator, David I. Walsh of Massachusetts, predicted, however, that the Senate would uphold the refusal of the House to appropriate money for the fortification of Guam.

President Roosevelt stated, during the course of the debate, that the Administration really had no intention of building a powerful fortification at Guam; that the intention was to deepen the harbor, now practically inaccessible, and develop facilities for naval and civilian aviation.

The bitterness of the debate was indicated in brief extracts which were telegraphed to Shanghai by *United Press*. Congressman Warren G. Magnuson, Democrat of Washington, a Pacific Coast State staunchly defended the Guam provision and urged the United States to overlook any Japanese objections to American rearmament plans. He said the fortification of Guam should not be regarded as provocative by Japan. He pointed out that Japan had fortified islands within 682 miles of the American Aleutian Islands.

"The time has come when we should talk plainly and carry a big stick," he said. "Didn't Japan violate every sacred treaty to which she ever ascribed? Didn't Japan close the 'Open Door' in China? Didn't Japan fortify islands within 900 miles of American possessions? Didn't Japan tell America to go to Hell when she closed the 'Open Door' in China? Didn't her airplanes bomb, shoot down Americans and sink an American vessel flying the Stars and Stripes? The American frontier is where the Stars and Stripes fly."

In closing his argument, Congressman Magnuson declared that "If the United States backs down on the naval improvements at Guam, Japan will herald it throughout the Far East that America is afraid even to dredge a harbor lest the Japanese Government protest."

Another Democratic Congressman, Andrew J. May of Kentucky, Chairman of the House Military Affairs Committee, declared in the course of the debate that "United States frontiers are wherever the United States flag flies." "Whose business is it," he demanded, "what America does to her own property? Why should we listen to Japan or any other country regarding what we

do in our own territory?"

Melvin J. Maas, Republican member of the Naval Affairs Committee said that Japan was not opposed to improvement of the harbor at Guam by the United States. "Fear regarding the consequences of such action," he said, "was being expressed only in the United States. Japanese officials have publicly said they have no intention of retaliating."

Sam Rayburn, Democrat of Texas and Majority Leader in the House concluded the argument against the amendment by warning that the elimination of the Guam item would mean that the United States is "permitting her foreign policy to be dictated by other nations."

The Republican, William Sutphin, who previously had stated he would support the Guam provision but later changed his mind, declared that he believed in making the United States impregnable to attacks by other nations, but declared he could see no reason why the United States should extend its line of defence 6,000 miles into the Pacific. He then inquired what Americans would think if England should fortify the Island of Bermuda which is located off the U. S. east coast.

Further indications of prevailing sentiment were evidenced in such statements as that of Congressman James P. Richards, Democrat of South Carolina who said that the Guam issue should be regarded as non-partisan, but he said that he couldn't help having grave doubts about the wisdom of including Guam fortifications in the Bill. William M. Colmer, Democrat of Mississippi said that even if Guam was fortified some other nation "would take it away from us." Another member, John Robison, Republican of Kentucky, stated that he had been informed by U. S. Naval officers that the fortification of Guam was not regarded as necessary for the defence of the United States.

Despite the defeat of the Guam provision, which was hailed with considerable joy in Japan, combined with a suggestion that Japan should "buy Guam with a few million yen," there was a general feeling in Washington that the vote on the Guam item was regarded as the first test to determine the future of the United States in the Far East. The provision was defeated by such a narrow margin that it indicated that sentiment in Congress was "fairly even," indicating great gains for those favoraing greater American participation in international affairs. It was remembered that when Congress voted to grant independence to the Philippines and withdrawal from the Far East, the vote was 7 to 1 in favor of isolation. Many of the members of the House declared that the fortification of Guam was inextricably tied up with the American position in the Philippines. Congressman James P. Richards, Democrat of South Carolina said that the United States could not safely fortify Guam unless the Philippines remained under the American flag. Attention was also called to the fact that Paul V. McNutt, a strong Democratic candidate for the Presidency in 1940 favored retention of the Philippines.

Of special significance, were comments on the Guam discussions in the controlled newspapers of Germany and Italy. One Nazi paper alleged that the suggestion to fortify Guam "had resulted from a hint by Anthony Eden when the former British Foreign Secretary visited the United States a few weeks ago. The German paper (*Boersen-Zeitung*) declared that Guam was a dagger pointing at Japan which had been placed in America's willing hands by a third Party. The paper then inquired,

> 1. Has a new plan for the distribution of the world been secretly prepared between the United States and Great Britain? or
>
> 2. Is the propaganda action against Germany and other States with which she is friendly, only a flimsy pretext for diverting public attention from really decisive events?

No mention was made in the Nazi comment that Guam is located in the midst of the islands which the Japanese seized from Germany and which the Japanese have been accused of fortifying and developing with the object of cutting the United States off from the Philippines in the event of war in the western Pacific.

The Italians, in their comment, suggested the unique possibility that Japan's seizure of Hainan Island, possession of China off the Kwangtung coast and adjacent to Hongkong and French Indo-China, was in retaliation for America's intention to fortify Guam and French intentions to fortify her possessions in Indo-China. The Italian paper *Giornale d'Italia* declared, "the democratic nations are now checked in the Far East and in this way the Far Eastern situation is exerting an influence on European and Mediterranean problems." The paper declared that Japan's fortification of Hainan would isolate both Hongkong and the French leased territory at Kwangchowan and in addition would exert pressure on French Indo-China and "would neutralize Singapore."

The provisions in the Pacific Naval-Air-Base Bill include the following items, Wake Island, $2,000,000; Midway Island, $5,351,000; Johnson Island, $2,884,000; Palmyra Island, $1,110,000; Kodiak Island, $8,741,000; Sitka, Alaska, $2,884,000; Pearl Harbor, Hawaii, $2,821,-000; Kaneohe Bay, Oahu, $5,800,000; Tongue Point, Ore., $1,500,000.

The original Bill contained an item of U. S. $5,000,-000 for the Guam fortifications, but it was stated privately in some naval circles that it would be impossible to convert Guam into a strong enough base to warrant the heavy expense.

The complete military appropriation bill now before Congress calls for an appropriation of approximately U. S. $552,000,000 to be spent as follows: new Army planes, $300,000,000; anti-aircraft artillery, tanks, gas masks, ammunition, field guns, semi-automatic rifles, $110,000,000; test orders to industry, $32,000,000; strengthening seacoast defenses and building a highway outside the Panama Canal Zone, $8,000,000; adequate peace garrison in the Canal Zone, $27,000,000; Naval bases, $44,000,000; Naval planes, $21,000,000; training civilian pilots, $10,000,000.

Japanese Remove Four Wounded Soldiers from Ship

Mystery surrounding the action of the Japanese in stopping and searching a German coastal ship bound from Shanghai to Wenchow, Chekiang, was explained this week when it became known that the Japanese naval authorities had removed four wounded soldiers from the ship. The ship was the Pelikan, operated by the German firm of Reuter Brockelmann and Company, with offices at 452 Kiangsi Road. The ship had just reached the outside harbor at Woosung early Friday morning, Feb. 24 when a Japanese destroyer ordered the boat to stop. A landing party of Japanese sailors and officers went aboard the German ship and spent three hours searching the passengers, officers and crew and in making a detailed inspection of the cargo. Finally the Japanese removed four Chinese passengers and also, allegedly a quantity of medicine which was being dispatched to hospitals in the interior by charity organizations here. The identity of the Chinese removed from the ship was not established until Tuesday of this week when it was learned that the four men were incapacitated Chinese soldiers who had been in the Red Cross Hospital here receiving treatment for several months. They were being sent home to their families in southern Chekiang. The German Consul-General has lodged a strong protest with the Japanese naval authorities, this being the first time that the Japanese have interfered with the shipping of their anti-comintern partners.

Konoye Heads China Religious League

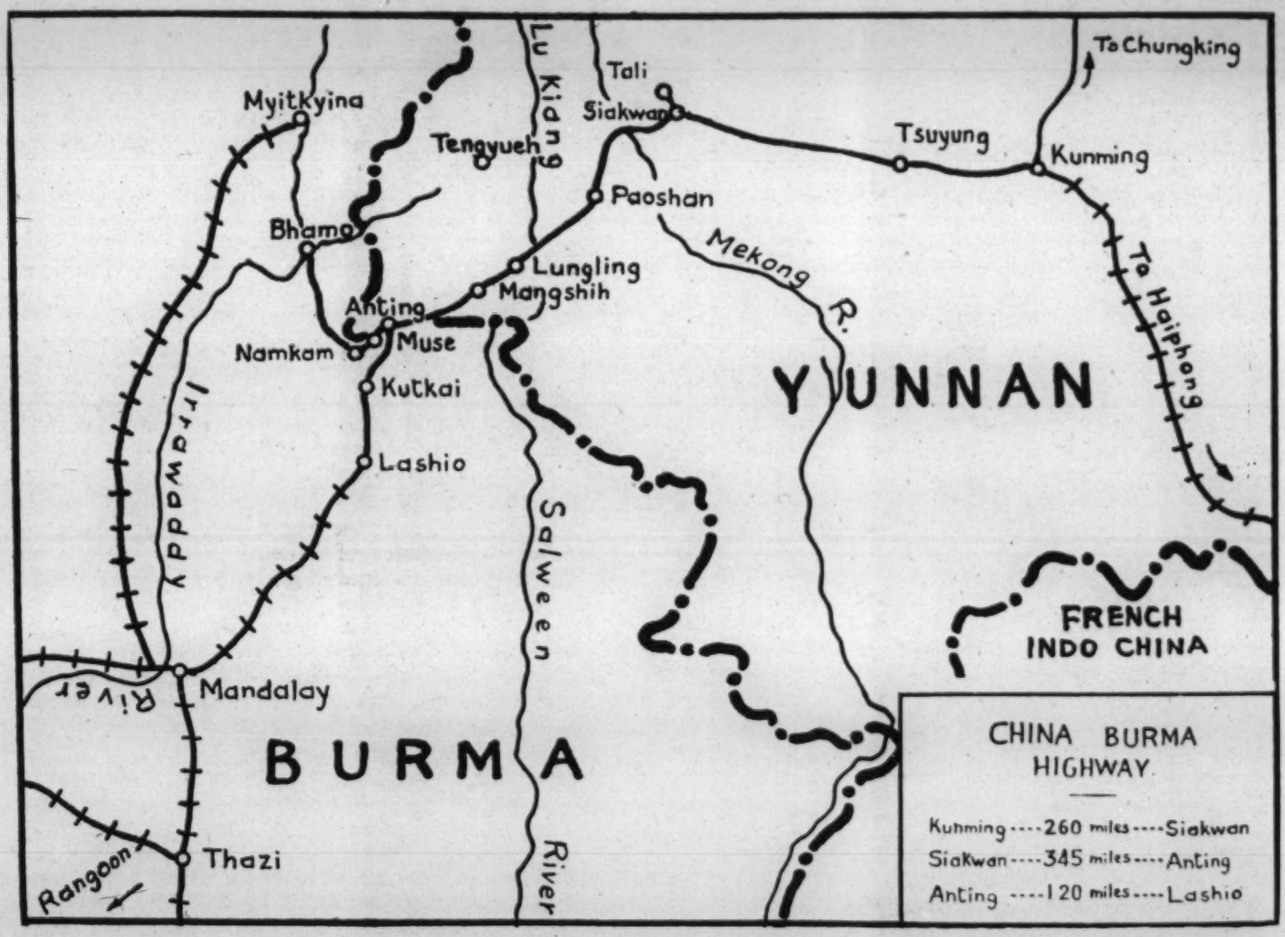
Prince Ayamaro Konoye, former Premier, has been appointed President and Abbot Kozui Otani, Vice-President of the Central China Religious League which was inaugurated in Shanghai on Feb. 26. The meeting was held at the Astor House Hotel in Hongkew. The organization is composed of representatives of various Japanese religious sects and, according to the announcement, is closely connected with Chinese religious bodies. It is regarded as the religious element in Japan's drive to "establish a new order in East Asia." Among those attending were Mayor Fu Siao-en of Ta Tao; Koji Yamamoto of the Army Special Service Section and a number of leading Japanese Army and Navy officers and diplomatic officials. (See article, Page 384, issue of Feb. 25).

Hazards of the China-Burma Highway

EDITORIAL CORRESPONDENCE

JOURNEYING over the China-Burma highway, a total distance of approximately 725 miles from Kunming, the capital of Yunnan (which is connected by road with the war-time capital, Chungking, and other centres), to Lashio, the north-west terminus of the railway to Rangoon, is replete with thrills as well as magnificent scenery.

The route is best divided into three sections. The first 260 miles from Kunming to Shakwan, the commercial centre of western Yunnan. The second 345 miles from Shakwan to Anting, a small village on the Sino-Burma frontier. And the Burma section of 120 miles from the Chinese border to Lashio.



Map drawn by P. C. Chen from information supplied by the author of the accompanying article

The first section was originally built several years ago. When I travelled over it last week, many stretches were in poor condition—one of the worst being within a few miles of Kunming. It has been widened and resurfaced in a few places, however, and the small wooden bridges (there are over a thousand of them between Kunming and the Burma frontier) are being gradually replaced by stone structures; while the larger ones are being reconstructed with stone foundations and wooden sleepers to take a strain of ten tons (it being too costly, besides taking too long, to build them completely of stone).

The second section, by far the most interesting, was only begun in December, 1937, yet it was opened to traffic the following November—an amazing feat considering the route passes over many high mountain ranges and several large rivers, differences in altitude between the tops of mountain passes and river valleys being sometimes over 4,000 feet.

The highest point on the highway, 8,500 feet above sea level, is reached about 60 miles from Shakwan. Notwithstanding, the most spectacular part of the trip comes 140 miles further on almost directly after one obtains a first glimpse of the emerald green Salween river. Here the road dips in a steep zig-zag from a height of 7,200 feet to 2,500 feet in order to cross the suspension bridge spanning the river, then immediately begins an equally steep and winding ascent to 7,500 feet, which height is only slightly above the average elevation of a considerable portion of this section of the route. Vast panoramas of picturesque grandeur unfold themselves again and again, and not infrequently the road travels well above the clouds.

It is obvious that the manner in which the work was rushed and the lack of modern road-building equipment—even though more than 200 engineers and 160,000 men (this figure includes the conscript labor employed to do the earth-work) were engaged in its construction—the highway, by and large, is still in a very rough state indeed. There remain numerous dangerous curves, steep grades and long unpaved stretches. The edges of the road—some two feet on either side—are likewise in many parts very insecure; being supported only by small pieces of loose rock piled up in layers. The reason they are not held together by cement being primarily again one of expense. Anyway, directly the sides of the road are subject to pressure, they are likely to give way

and unless vehicles are kept strictly in the middle of the highway, driving is a hazardous undertaking. And this was vividly and tragically brought home to me the third day of the journey when without warning the ground suddenly gave way under the outer front wheel of the bus directly in front of the sedan in which I was riding, and the bus (carrying passengers and baggage including my own) slid over the precipitous side and crashed 150 feet below. Naturally the bus was smashed to pieces, yet miraculously only one of the eight passengers died later from his wounds.

The following day another member of the convoy (I was travelling at the time with a group of South-West Transport Company officials who were carrying supplies of gasoline, confidential documents and furniture for distribution to the stations they have established en route) slipped off the road. This time, fortunately, it was only into a draining ditch but it might just as well have been on the other side of the highway which was on the brink of a precipice.

Due to hasty and insufficient cutting, landslides are continually occurring, and I lost count of the number of times the narrow, winding mountain road with a gaping precipice on one side, was made perilously narrower as a result. About three miles from the Salween bridge our progress was completely barred by a landslide of solid rock which it took sixty workmen, with the aid of gunpowder, three and a half hours to remove.

While the steel cable suspension bridges across the Mekong and Salween rivers and several other bridges constructed entirely of stone are all capable of carrying a load of 7½ tons, the remaining bridges which are of a temporary nature (strong currents have made bridge construction quite difficult) are being converted into permanent structures, making many a tiresome and uncomfortable detour obligatory in the meantime.

Last but not least, drivers are harassed by frightened mules and cattle. Terrified by the sound of an approaching motor vehicle, they often start a stampede causing utter confusion and annoying delays. It is advisable, therefore, to slow down on approaching a mule, donkey or bullock caravan or cattle going to market, in order to give those in charge sufficient time to keep the animals under control as you pass by. The average Chinese peasant and tribesman in these parts is also terrified by a motor and a "toot toot" frequently sends him skipping right across the road within inches of the radiator.

Although the Burma section of the highway which passes over much easier terrain, is on the whole better engineered, being considerably wider, better graded and rock cuttings are more extensive, it is, nevertheless, at present also in a pretty rough state. Only the last eight miles into Lashio are metalled.

It was less than 20 miles inside the Burma border I met with a final adventure. About 9 p.m. (I was now driving with three Frenchmen) we came across a heavy lorry with two wheels embedded in a ditch of mud a foot deep. A wide hole the other side of the truck which had been made for repair purposes, preventing us from passing. For half an hour we tried in vain to extricate the truck from its muddy prison, then seeing this was quite impossible without much more assistance we decided to fill in the hole instead. But there were no spades or other implements available at this hour, and the few coolies we were able to collect had to use hands and feet to shovel back the earth which was banked on either side. While this work was in progress my flashlight espied some wooden logs in the truck. It did not take long to heave several of them into the cavity and within an hour we were again on our way.

Lashio was eventually reached on the morning of the seventh day. Had I been able to travel on my own the full distance by sedan with two drivers, the journey could have been made in four long days at an average driving speed of 20 m.p.h. (to drive any faster being definitely dangerous). Owing to the accident referred to above, however, the sedan I started out in was used to take back the wounded to the hospital at Tali (ten miles north-west of Shakwan) and I had to travel by bus almost to the Burma frontier (a nerve-racking experience because of the terrible jolting) before I managed to get another car to complete the journey to Lashio.

Trucks and buses (which should also carry two drivers) cannot safely attempt this trip at present under six to seven days at an average speed of 12 m.p.h.

So far only one trial shipment of 28 tons has come over this route from Burma. And I was struck by the fact that throughout the journey, I met no traffic coming in the opposite direction other than three truck loads of young Chinese recruits who were on their way to a training camp, and a half dozen small Burmese lorries which were carrying road-building material to Mangshih, a small village 80 miles from the Burma border. (Incidentally this is where China and Burma really meet—the village being full of Shan tribesmen, the Chinese call them "Pai-Yis," whose high black turbans and gaily coloured "longyis" or skirts blend romantically with the Burmese pagodas one sees on all sides.) But the rough state of the highway is by no means entirely responsible for this state of affairs. Other difficulties which have had to be overcome include lack of transport (trucks) and drivers, and the large sum of money involved in the transit duty levied by the Burma Government.

Regarding transport, hundreds of trucks are gradually being assembled in Rangoon. Some are being hired from local firms and others are arriving from abroad—one thousand being allegedly on the way. Meanwhile an army of Chinese, Shan and Burmese drivers is being recruited. (Two thousand Chinese chauffeurs were being trained in Kunming when I was there a fortnight ago.)

With reference to the transit duty, T. K. Tseng, the Chinese Vice-Minister of Foreign Affairs (who is still in Rangoon) has managed to get it halved within the last few weeks. Nevertheless, it is still too high in the opinion of the Chinese Government. Hitherto, and ever since the Sino-Burmese Convention of 1894, the transit duty on goods destined for China has been one eighth of the customs duty which at the time the arrangement was first made and for many years subsequently, was a general *ad valorem* duty of five per cent. Today, however, the customs duty on munitions for instance, runs as high as from 40 to 50 per cent and the transit duty on the old reckoning is, therefore, prohibitive. When this was pointed out to the Burma Government, it readily agreed to reduce the duty from the eighth to one sixteenth. Even so, as Mr. Tseng pointed out to me, in order to clear the 200,000 cases of supplies (some 16,000 tons) which have already arrived in Rangoon for the Chinese Government, China must pay something like a million and a half rupees (roughly £112,500). Negotiations are at present proceeding with a view to obtaining a further concession on future shipments, and there are good grounds for believing that the Burma Government will eventually agree to a sliding scale of charges which will limit the maximum duty to not more than one per cent *ad valorem*.

None the less, several convoys of military supplies are scheduled to make the highway trip from Burma to China before the end of the month. Speculation is rife as to how the route will stand up under heavy traffic and whether or no the convoys will get through safely.

Another question everyone interested in the highway is asking is, to what extent is transportation likely to be affected by the rainy season which commences the end of May and lasts until the end of October—the average rainfall in west Yunnan during this period being 108 inches. Some of the neutral experts who have

travelled recently over the route express the opinion that traffic is likely to be halted altogether; others are somewhat more sanguine now that the administration and maintenance of the whole road has been taken over from the Yunnan Provincial Government (which was subsidized to build it) by the National Highway Commission which is under the direct control of the Ministry of Communications. A comprehensive program of improvements and an acceleration of the work in hand (one encounters gangs of workmen, thousands in all, along the road) has already been mapped out and is to be undertaken immediately.

I travelled part of the way with an inspecting group of engineers and other technicians belonging to the Highway Commission, and was informed by them that it had been officially decided to widen the roadbed to a minimum width of nine metres where the foundation is of earth and to seven meters where it is of rock. Dangerous corners, curves and grades are to be eliminated, retaining walls are to be built to check landslides, and a considerable amount of additional drainage is to be put in hand. Naturally it will be impossible to complete all these improvements before the end of May. But my informants were confident that the most serious hazards at present encountered will have been removed before the rains and that all bridge work will likewise be finished by that date. More-over a permanent force of 2,000 men will be employed to clear away the landslides which are expected and keep the highway open to traffic. Neutral observers including the writer believe, however, that this prognostication is decidedly too optimistic, seeing that under existing conditions in China most of this work will have to be done by hand and the Yunnanese are famous for their slowness.

Notwithstanding, the China-Burma highway even as it stands today, is a brilliant achievement and its opening to traffic is an historic event. One cannot but marvel at the initiative, iron-nerve and determination displayed by these Chinese engineers who conquered the intricate and perilous topographical obstacles in their path. And whether the improvements be completed this year or next, this international highway is assured of an increasingly bright and significant future.

Gerald L. G. Samson

Rangoon, Feb. 18, 1939

Many Shanghai Office-Boys Depart for Kiangsi Front

No longer will it be possible for Shanghai foreigners to sneer at Chinese youths in the Shanghai foreign settlements for their lack of patriotism. Also, this story will acquaint a number of foreign and Chinese managers of business houses in Shanghai why there was no response to the familiar call of "Boy" in numerous offices this week. The mystery of the wholesale disappearance of office boys from their customary jobs in Shanghai business houses since China New Year, was explained when it became known that the youths had "departed for the front," the chief destinations being southern Anhwei, northern Kiangsi and Hunan.

The number of youths, chiefly between the ages of 15 and 20, most of them students in local night schools, who have gone to serve their country as couriers and hospital assistants behind the Chinese lines, is not known. They departed from the foreign settlements in small groups by both land and sea and so far have succeeded in eluding the Japanese. The organization of the groups, supposedly during the New Year holidays, was effected so secretly that no one outside of the ranks of the youths themselves was aware of the adventure. The story leaked out through one boy who did not go, but who preserved his silence until his fellow classmates had departed. It was claimed that the boys had not even informed their parents, this being true in at least one case where the father of a boy named Hsia Sin-yuan, called at the office of a foreign firm where the boy was employed to learn his whereabouts. The father feared the boy had been kidnapped. There were 18 boys in this particular group which departed for northern Kiangsi where they will serve as hospital couriers behind the Chinese lines in the vicinity of Nanchang. It was alleged that guerilla leaders met the groups outside the Japanese lines and are conducting them to designated points in the interior where they will be given special training.

Export Permits Necessary in North From March 10

Japanese-dominated Customs authorities at North China ports will refuse to issue export permits on and after March 10 for any goods unless exporters produce certificates showing the export exchange has been sold to the Japanese-controlled "Federal Reserve Bank," according to a Japanese report from Peiping.

Indicative of the scarcity of copper in North China and the value attached to it by Japan, the "Federal Reserve Bank" issues notes in denominations as low as one cent (above) and six coppers (below).

The report added that a decree to this effect was to be issued shortly and that all foreign currency collected by the "Federal Reserve Bank" would be deposited with the Yokohama Specie Bank. The "Federal Reserve Bank," according to the report, will only buy exchange at fourteen pence compared with the present ruling rate of slightly over eight pence.

Jack Belden Back From Tour of Guerrilla Areas

Jack Belden, special correspondent of the *Shanghai Evening Post & Mercury*, returned to Shanghai early this week from a prolonged tour of the "guerrilla areas" which took him through the provinces of Chekiang, Anhwei, Kiangsi and Hunan. He spent some time with the New Fourth Army, one of China's most renowned forces of guerrilla warriors, which operates near the Yangtsze in the Kiangsu-Anhwei-Kiangsi border areas and wrote extensively on what he saw and heard.

T. C. Koo, Chinese journalist connected with the *Sin Wen Pao*, has just returned to Shanghai from a similar tour.

Bank of Japan Gold Reserves Show Big Drop

Gold reserves of the Bank of Japan totalled Yen 501,287,000 on February 23, according to official figures. Last year on the same date, the total stood at Yen 801,002,000. Depletion of the reserves over a 12-month period thus amounts to Yen 299,715,000.

Cantonese to Deliver Up Metal Articles

Immediate surrender of all "metallic articles left behind by Chinese soldiers in the occupied areas of Kwangtung province," including arms, ammunition and weapons made of metal, is demanded in a notice issued by the Japanese military authorities, according to a *Reuter* message from Canton.

Possessors of such articles are asked to report to the nearest military headquarters, which, it is stated, will refund the cost of any weapon or piece of metal handed over.

As a result of this order, the Japanese are expected to add considerably to their collection of scrap iron. During the past few weeks, they have been systematically removing all metal objects from the thousands of gutted buildings in the city.

Banditry Said Rife

With looting and banditry still rife, the Japanese authorities have decided to enforce strict curfew in the suburbs of Canton between 8 p.m. and 7 a.m. Between these hours, according to a proclamation, no traffic movements of any kind, either on land or water, will be allowed.

The main purpose of the new order, says *Reuter*, is to check the infiltration of "bad characters," many of whom are known to have managed to smuggle themselves into the city under cover of night. The step is also expected to check the growing number of hold-ups and robberies on highways between the city and the subburs.

Chiang Gives Pledge of Democratic Rule for China

DESPITE the current hostilities, China continues to progress politically. With the conclusion last week of the 3rd plenary meeting of the People's Political Council, China's march towards democracy appeared to have advanced one step nearer its goal of realization.

What amounted to a definite assurance of democratic rule for China in the future was contained in the speech made by General Chiang Kai-shek at the closing ceremony of the session.

After pointing out that it is the mission of the Council to devise measures for welding together the government and the people in absolute harmony and cooperation, Gen. Chiang emphasized the importance of laying a sound foundation for a democratic government and eventually giving powers for the appointment and removal of government officials to the people.

Gen. Chiang, who is concurrently president of the Council, expressed gratification at the atmosphere of harmony and cooperation which prevailed throughout the meeting. This spirit of unity, he said, further strengthened his confidence in the ultimate success of the present campaign of resistance and national reconstruction.

Referring to the various resolutions adopted at the session, Gen. Chiang said that these, though small in number, fully met the requirements of the second stage of the war of resistance.

Recess Until Summer

After remaining in session for nine days beginning on Feb. 12, the Council declared a recess until next summer. In the course of the meeting, more than eighty resolutions were adopted, the most important being the one reaffirming the government's policy of determined resistance against the Japanese invasion. This resolution was especially significant in view of the defeatist attitude adopted by Wang Ching-wei, who presided at the two previous sessions of the Council, and the subsequent furore caused by his open advocacy of peace with Japan. Whatever hopes the Japanese might have entertained from Wang's abortive peace movement, such hopes are now completely dashed to pieces. The Chinese people, as represented by the Council, are resolved to fight to the end, no matter what the future may have in store for them. A conviction is gaining ground among the Chinese that the worst has passed and the future can only be brighter.

Other measures adopted at the meeting dealt with emergency construction, economic and financial rehabilitation, administrative reforms, educational and cultural matters. Revision of the compulsory military service law and development of frontier regions also received attention.

The resolutions have now been forwarded to the National Defence Council for consideration and enforcement. On the basis of these resolutions, the Defence Council, in conjunction with the civil and military authorities concerned, is drawing up a set of detailed measures for prolonged resistance and reconstruction in the hinterland.

A rumor of third party mediation, which was spread by a foreign news agency quoting official circles at Chungking as allegedly looking forward to an international conference for the settlement of the current Sino-Japanese hostilities, was categorically denied by Gen. Chen Cheng. In his capacity as director of the Political Affairs Department of the Military Affairs Commission, Gen. Chen wired the Chinese community at Hongkong, declaring that the rumor was utterly baseless and that the government was unwavering in its decision of fighting to the end.

Indicative of Japan's anxiety to liquidate her reckless adveuture in China and to cash in some parts of the occupied territory, the German *Transocean* agency, quoting a report in the *London Daily Express*, stated that the Japanese Government had taken an entirely unexpected step towards peace in China. Japan was said to have proposed to China the formation of a new government, which would include General Chiang Kai-shek in a prominent position.

If Chungking accepts the offer, the *Transocean* message said, most of the Japanese troops would be withdrawn from southern and central China. The Japanese troops, however, would remain in North China which Japan proposes to "exploit" in cooperation with those foreign powers which play a decisive part in the peace mediation. Prominent among the supporters of this plan is said to be Maj.-Gen. G. Kita, Japanese military attache in Peiping.

Another point in Japan's new program is stated to be the proposal to form a Kuomintang Government headed by Wang Ching-wei.

The foregoing report, although as yet unconfirmed in official quarters, makes interesting reading in view of the fact that it came after Japan's failure to capitalize on Wang Ching-wei's peace movement and the adamant refusal of Marshal Wu Pei-fu to head a puppet central regime in China. It is also significant that the news was carried by the organ of a country with which Japan is in league.

Whatever may be the original source of the report, it appears certain that Japan is more keenly realizing her difficulties in China and is anxious to extricate herself from them by some face-saving measure. The deadlock in the military situation during the past three months indicates that Japan has been at a loss as to what should be her next move and her recent occupation of the Hainan Island might be interpreted as a measure designed to provoke the powers' mediation in order to end the hostilities and assure some profit to herself for her costly adventure.

More Military Preparation

While Japan's stand is showing signs of weakening, China rushes preparations for protracted resistance. In order to build up a larger and more efficient army to carry on the struggle, Gen. Chiang Kai-shek recently summoned a military conscription replenishment conference. The conference was attended by more than 200 ranking military officials from all parts of the country. After remaining in session for five days, the meeting closed with the adoption of several important measures, mainly relating to the recruitment of reservists, military training of the masses, promotion of conscription publicity and improvement of the treatment of new recruits.

During the sessions of the conference, an interesting incident occurred, which served to illustrate the Generalissimo's solicitude for the welfare of the soldiers at the front. In attending one of the meetings, Gen. Chiang, upon entering the conference room, noticed four braziers. Before calling the meeting to order, Gen. Chiang ordered the summary removal of the braziers, with the admonition that the soldiers fighting at the front were exposed to bitterly cold weather and that braziers were unnecessary in the warm weather in Chungking.

A joint message of encouragement to Gen. Chiang Kai-shek and the soldiers at the front was dispatched by the university presidents and middle school principals who were recently summoned to Chungking by the Education Minister, Chen Li-fu, for a conference on measures for coordinating school work with the requirements of the war.

The educational leaders in Szechwan paid a warm tribute to the patriotism and able leadership of the Generalissimo and more particularly to his efforts for national regeneration. The messages reiterated Szechwan's support for the campaign of re-

Mass Wedding Held Despite the War

Photos by C.M.P.S.

The first mass wedding to be held in China since the outbreak of the Sino-Japanese hostilities in 1937 took place in Chungking Feb. 19. Eighteen couples, as shown above, were joined in wedlock. All were simply dressed in clothing made of native materials.

sistance and confidence in China's ultimate victory.

The Supreme National Defence Council has issued an order to the Szechwan Provincial Government, instructing the latter to pay particular attention to the fighting forces, such as the militia and volunteer corps organized by the people in Szechwan.

Women Mobilized

Under the leadership of Madame Chiang Kai-shek, Chinese women in Chungking are being mobilized for greater service in their country's campaign of resistance against Japan. The women, including employees and wives of officials of the government organs, are to organize themselves into war-air corps and to engage in fund-canvassing, troop-comforting, public-lity, first aid, relief of war orphans and families of the fighting men, etc.

With the object of further cementing the bond between China and the United States, the Sino-American Cultural Association was formally inaugurated at Chungking last week, with Madame Chiang Kai-shek and Col. H. L. Stimson as honorary chairmen. Dr. H. H. Kung was elected chairman, with Chen Li-fu, minister of education, K. P. Chen, well-known banker and Dr. J. L. Stuart, president of Yenching University and Dr. A. Young, adviser to the Finance Ministry, as vice-chairman.

The 21st anniversary of the Soviet Russia's Red Army was celebrated at the Soviet Embassy at Chungking last week. Gen. Chiang Kai-shek, accompanied by Madame Chiang, called at the embassy to extend their congratulations to M. Luganets-Orelsky, the Soviet ambassador. Among other officials who called at the embassy were Dr. H. H. Kung and Dr. Sun Fo, president of the Legislative Yuan and of the Sino-Soviet Cultural Society.

More Soviet Aid

According to a *Sin Wan Pao* report from Hongkong, the Soviet government will give more positive assistance to China in the near future. Ambassador Luganets-Orelsky is reported to be returning to Moscow in the early part of March to confer with the government authorities on the matter. It is also stated that the Soviet Far Eastern forces will be considerably strengthened, the Outer Mongolian troops mobilized and Soviet troops on the Mongolian-Manchuria borders will become more active. These contemplated activities, it is alleged, will be carried out with a view to harassing the Japanese army in their operations in China.

Germany appears to be paying heavily for her friendship for Japan in the form of a rapid decline in German trade with China. This is borne out by a *Transocean* message from Berlin, stating that German trade statistics of 1938 show a considerable falling off of exports to China, which declined from Rm.148,300,000 in 1931 to Rm.99,400,000 in 1939. German imports from China over the same period increased from Rm. 93,600,000 to Rm.101,700,000.

Apparently with the object of appeasing the wounded feelings of the Chinese, the German government recently appointed a new consul-general for Kunming, capital of Yunnan, in the person of Dr. Siebert, who is on his way to China. Prior to his departure, the China Study Society in Berlin gave a reception in honor of Dr. Siebert. During the reception, many economic questions were discussed. Among the guests attending the function were Dr. Knoll, head of the Far Eastern Department of the Foreign Office, Admiral Retzmann and Gen. von Falkenhausen, formerly German military adviser to the Chinese government.

A huge order for cloth will shortly be placed by the Chinese Government in Great Britain, according to a report in the London *Times*. Negotiations are now being carried on by a Manchester firm of Far Eastern shippers and merchants acting on behalf of the Chinese government with Lancashire cotton manufacturers for cotton goods totalling 20,000,000 yards, valued at between £500,000 and £750,000. The orders, the *Times* says, will be in drills and other small fabrics for army purposes.

Successor to Chen Lo

The Japanese have found a successor to the late Chen Lo, who was assassinated at his Shanghai home on Chinese New Year Day. The choice for the post of Nanking's new Foreign Minister falls on Lien Yu, who, prior to his promotion, occupied the post of "Vice-Minister" in the foreign office. Lien's antecedents are little known and it seems that this is first time that his name received press mention.

Chen Lo was buried last week somewhere in the "Ta Tao" territory. The Settlement and the French Concession police took special precautions when the cortege passed through the two areas on the way to the cemetery.

To "impress" on the Chinese people in Central China the importance of the establishment of the New Order in East Asia, the *Shanghai Mainichi* reported, observance of an "East Asia New Order Week" from March 3 to 9 inclusive will be held at Nanking. To make the Chinese "New Order" conscious, an enthusiasm-stimulating program is being planned, including the profuse display of slogans, free distriction of gramaphone records of the "East Asia March," speech-making by Japanese military, naval and diplomatic officials and concerts by Japanese army and navy bands.

Nanking announced appointment of two new officials. Kung Hsien-chien was made director of the "Propaganda Bureau," an organ probably patterend after its prototype in Berlin. The other appointee was Tseng Chun, who will head the Shanghai Navigation Bureau.

In addition to Kao Chung-wu and Mei Shih-ping, Wang Ching-wei, ousted Kuomintang leader, has sent Chou Fu-hai (formerly director of the Central Publicity Department) to Shanghai to contact the Japanese and to continue his intrigues for peace, according to the *Morning Leader*.

Domei reported from Hanoi that Wang and his wife had been granted diplomatic passports by the National Government. The passports, it was claimed, would enable Wang to go abroad without the necessity of giving notice to the French Indo-China authorities.

Pensions for Victims

In view of the repeated occurrence of political assassinations in Shanghai recently, officials of the Nanking "Reformed Government," according to *Wen Hui Pao*, demanded from Liang Hung-chih, head of the Nanking regime, a guarantee for their personal safety. As a result of the demand, Nanking issued a set of regulations governing the grant of pensions to employees of Nanking who fall victims to assassination. The pensions range from $100,000 to $10,000.

Under the pressure of the Japanese authorities, E. G. Jamieson, British consul-general at Tientsin, was alleged to have issued an order banning the use of anti-Japanese textbooks in schools in the British Concession.

To educate the Mongolians in ways Japanese, an Asia Development Institute is scheduled to be opened at Houho, Suiyuan, on April 1. Five Mongolians are expected to benefit from the Nipponese teachings.

Claiming to be the oldest institution of learning in Japan, the Keio University is taking on a very enterprising spirit. Upon the recommendation of the militant Education Minister, Gen. Sadas Araki, the university has completed plans to offer a three-year course on "Continental" studies, mainly devoted to subjects of economic research on Asiatic mainland.

In addition, the university is planning to open a branch school in Shanghai exclusively for the benefit of Chinese students. Establishment of the new school is expected to follow the opening of a China Continent Research Institute in Shanghai. The latter organ will be housed in the Great China University Building on Jessfield Road.

Tibet soon will have a new Dalai Lama, according to a *Transocean* report from Chungking. The report, quoting Dr. H. H. Kung, states that the selection by lot of a new Dalai Lama is to take place shortly at Lhassa. The selection is made necessary, because when the last Dalai Lama died, two boys were born at the same hour.

A Mohammedan Cultural Research Association was inaugurated in Chungking on April 26.

The National Bankers' Conference for this year was scheduled to be held at Chungking on March 1. Large numbers of Chinese bankers were on their way to Chungking to attend the meeting.

China-Russia Air Service Planned

Preparations are being made by the Ministry of Communications in Chungking for the inauguration of an air service between China and Soviet Russia. A test flight between Chungking and Moscow will be held early in March, *Kuo Min* reported.

Negotiations are also being conducted with the French authorities for the inauguration of an air service between Chungking and Paris, via Indo-China.

The new Chungking-London air mail and passenger service, via Burma, was formally inaugurated on Feb. 28. One trip will be made each week between Chungking and London.

The Chungking-Rangoon test flight made on Feb. 22 was entirely satisfactory. The C.N.A.C. airplane left Chungking at 6.40 a.m., with a bag of mail, for Kunming (Yunnanfu), provincial capital of Yunnan. Reaching Kunming at 9.30 a.m., the plane took off again one hour later for Rangoon, Burma, where it arrived at 5 p.m. From Burma, the mail-bag was taken on board an airplane of the British Imperial Airways, which took off on Thursday of last week for London.

Clipper Fares Cut

Fares on Clippers flying between the Far East and San Francisco will be reduced by 22 per cent. from March 8, Pan-American Airways have announced.

Effective March 8, the new fare from Manila to San Francisco will be U.S.$739, or U.S.$603 if passengers leave the Clippers at Honolulu and travel the remaining distance to San Francisco by steamer.

The 74-passenger Boeing Clipper, latest acquisition of Pan-American Airways, created a new speed record on its maiden flight from San Francisco to Honolulu on Feb. 23. The 42-ton giant of the skies spanned the 2,400 miles of ocean in 15 hours, 47 minutes.

$1,500,000 Is Voted to Beautify Peiping

For the purpose of beautifying Peiping, the Executive Commission of the "Provisional Government" has instructed the Finance Ministry to appropriate $1,500,000, says a *Reuter* report. The money will be used for extension of existing macadamised roads and the building of new ones, and also for repairs to the sewage system.

Japanese Army Resumes Drive Up Yangtsze River Toward Ichang

WITH the first tang of spring in the air, military activity on China's Yangtsze front was resumed this week as Japanese forces launched operations in central Hupeh, apparently concentrating effort on a westward drive in the direction of Ichang.

A *Domei* military dispatch early this week said attacks were directed Wednesday of last week against two towns 100 kilometers west of Hankow, these being Tienmen, important communications center, and Yokiakow on the Hankow-Ichang highway, both of which were captured in what were described as "fierce thrusts."

Later dispatches from the Japanese military said the advance westward was making rapid progress, claiming that Japanese units had arrived at points approximately half way between Hankow and Ichang.

Assisting the infantry advance, Japanese army aircraft raided Shayangchen near the Han River on Feb. 27 and boasted destruction of 30 junks loaded with Chinese troops escaping across the stream.

Chinese dispatches from Chungsiang via *Kuo Min* said that the Japanese advance in central Hupeh had been checked after several days of stubborn fighting. Having pressed forward from Yokow, the invading troops had made Wamiaotsi their immediate objective, but failed to reach the town.

According to a *Reuter* dispatch from Tokyo last Monday, quoting Japanese field dispatches, Chinese troops north of the Yangtsze consist of 30 divisions under Gen. Li Tsung-jen, of which 20 are assigned north of Suihsien in northern Hupeh. Another Chinese force, about 10 divisions strong, has reportedly taken up positions in the upper reaches of the Yangtsze from Shihshow to Incheng. More than 60 Chinese divisions, the same source said, have deployed south of the Yangtsze from Tungting Lake in the west to Poyang Lake in the east, in an attempt to resist the Japanese push to the south.

Chekiang Coast Quiet

Relative quiet reigned along the Chekiang coast, where Japanese naval movements were recently reported. A *Kuo Min* message from Kinhua on Feb. 24 said that two Japanese warships shelled Kaoting four days previously. More than 50 shells were fired, wounding three persons and destroying over 20 houses. The warships later proceeded to Tungshakio where they sank six junks and fired on the island, thereafter departing northeastward toward Chusan Island, northeast of Tinghai, the agency said.

Japanese military operations in South China are now largely centered on attempts to land at Pakhoi and establish a foothold on the Luichow Peninsula, immediately north of the island of Hainan.

According to a *Kuo Min* message from Shiuchow, troops attempted to effect a landing from warships at Kwantauling, west of Pakhoi, on Feb. 25. Chinese shore batteries, the agency said, prevented the landing and damaged several Japanese steam launches engaged in the landing attempt. The same source reported tha strengthening of the defense forces on the Luichow peninsula in anticipation of an early and concerted attack.

Domtei reported from Tokyo on Feb. 28 that two Kwangsi divisions had been rushed to the Luichow peninsula, while another Chinese force had been sent to southern Kwangtung from the West River Valley. Loting, in western Kwangtung, was raided by a squadron of eight Japanese planes on Feb. 25, when, according to *Kuo Min*, ten persons were killed and wounded.

Gen. Yeh Ting, commander of the New Fourth Army which is operating south of the Yangtsze, is now in Kwangtung recruiting former soldiers and refugees in the East River region for the purpose of organizing a new force in the south, according to a Chinese report quoted by *Domei*. Yeh Ting's plan, the Japanese agency said, is to extend Communist influence to the whole of South China with the aid of troops which he is now recruiting.

Extending their invasion of Hainan Island, Japanese naval forces occupied Tsinglum harbor without encountering any resistance, *Domei* reported at the beginning of this week. Two Chinese Customs cruisers, the *Tinghai* and the *Haian*, were seized in the harbor, together with a quantity of arms and ammunition, the agency declared.

Despite Japanese assurances that the occupation of the island was a temporary measure, present indications are that permanent control of Hainan is in contemplation, a Chungking dispatch from Kweilin, published locally by the *Wen Hui Pao*, declared Feb. 26. According to this report, the Japanese army is rushing the construction of airdromes on the island and is bringing in large supplies of arms and munitions. Three Japanese aircraft carriers and more than 38 other warships are anchored off Hainan, the report said.

Tadashi Sakaya, newly-appointed Japanese consul-general, arrived in the Hainan port of Hoihow Feb. 24, *Domei* reported.

Invasion of Fukien

A Chungking dispatch to the *Wen Hui Pao* on Feb. 23 said reports were current of Japanese preparations to extend their in-

(*Continued on page 17*)

Tibetan Lamas at Chungking

Photos by C.M.P.S.

A group of Lamas from Lapolang, Tibet, recently visited Chungking before proceeding to the various war fronts to encourage the Chinese troops. In the provisional capital they pledged their full support to the government and paid their respects to Gen. Chiang Kai-shek, to whom they also presented banners. The entire group, with presentation banners, is shown in the upper picture. Below are seen Ah Wang-chang (left), head of the Lapolang Lamas, and Cha Yiu Cha Cho, noted Tibetan scholar and a member of the Chinese People's Political Council.

Japanese Agitation Continues Over Recent Terrorist Wave in Shanghai

DANCING ADDICTS WARNED BY BOMBS

In an apparent effort to discourage the elite of Shanghai Chinese society from engaging in frivolous and costly pastimes during the present war period, patriotic terrorists, describing themselves as the "Blood and Soul Traitors Extinguishing Corps" hurled bombs outside of four leading Chinese dancing establishments Wednesday night of this week. The sole casualty was a ricsha coolie, whose leg was injured.

The places singled out for attention were the Oriental Hotel, Ciro's night club, the Cathay and Paradise ballroom and the Great Eastern Ballroom. Leaflets showered in the vicinity of the resorts, entitled "A Warning to Our Dancing Friends," said in part:

"Dancing Friends: The nation is on the verge of being conquered. We are being crowned with the 'glories' of a conquered people. Have we, who are 'cheating life' in the Isolated Island, not the shame of a conquered people and still resort to such crazy celebrations?

"Dancing Friends: Some of you can dance the Fox Trot, others the Waltz. Why don't you go up to the front to kill? Some of you spend lavishly on brandy and whisky; why don't you give the money to our troops so that they can buy more munitions to kill the enemy?

"Dancing Friends: Why spend your money for cosmetics when your bodies smell with the odor of a conquered people. The only way to remove that smell is to give our warm blood to the nation.

"You have been enjoying yourselves over the Lunar New Year. Our meager gifts tonight—bombs—will help to give you added pleasure. Dancing Friends: if you like them, we shall meet each other in the ballrooms!"

TAO Shan-chen, sectional chief of the "Reformed" Government's Consolidated Tax Bureau for Kiangsu, Chekiang and Anhwei, narrowly escaped death at the hands of a trio of Chinese terrorists Monday evening of this week, according to the local Japanese press.

The trio broke into his house on a lane off Rue Lafayette, in the French Concession and cried out: "We have come to hunt for a traitor. Fetch the master"—demanding that the family reveal Tao's whereabouts. Tao, hearing what was said, escaped by the back door, while French Municipal police officers appeared on the scene after the would-be assassins had escaped, the reports said.

Japanese agitation, both here and in Tokyo, against the administration of the International Settlement, set in motion by the recent wave of terrorist killings of puppet officials, is still going full blast.

Mr. Yoshiaki Miura, Japanese Consul-General in Shanghai, on Tuesday handed a three-point counter-reply to Mr. C. S. Franklin, chairman of the Shanghai Municipal Council, regarding Japanese proposals for maintenance of peace and order in the International Settlement, according to the *Nichi Nichi Shimbun*.

Mr. Miura's counter-reply was based on instructions from the Tokyo Government and represents Japan's answer to Mr. Franklin's note of Feb. 25. Included in the reply, the daily said, were:

Three-Point Reply

1. Acknowledgement of the preparedness expressed by the S.M.C. to cooperate in preventing terrorism in the International Settlement.

2. This preparedness is to be regarded by Japan as consent on the part of the Municipal Council to cooperate with Japan in the future.

3. In accordance with this understanding, Japanese police organizations will carry out their cooperation with the Municipal Council.

Although the text of Japan's original demands on the Council presented Wednesday of last week have not been made public, the five points of the Council's reply were published in Tokyo as follows:

1. In accordance with the emergency decree of the Shanghai Municipal Council of July, 1938, the Municipal Police will continue their vigilance against anti-Japanese terrorism.

2. The Municipal Council welcomes the cooperation of the Japanese Consular Police and the Gendarmerie guarding the International Settlement against terrorism, but the methods of such cooperation are to be decided by discussion of details between the Municipal Police and the Japanese Police.

3. These efforts will be continued as hitherto and searches will be continued of Chinese entering and leaving the Settlement, and by waterways, especially the Whangpoo and Soochow Creek.

4. The search of Chinese at strategic points in the International Settlement will be continued as hitherto with additional vigor.

5. Japanese vacancies in the Municipal Police force will be filled as soon as suitable men can be found.

Police Take Measures

Implementing these undertakings, the S.M.P. have been engaged in systematic searchings of Chinese in various parts of the Settlement, an especially close watch being maintained over arrivals from Pootung. In addition, barbed wire barricades have been erected at some of the alleyway entrances leading on to Nanking Road, where several terrorist killings have been carried out, this being done to make more difficult the escape of the assassins in any future attempts.

Similar barricading has been going on in the Western district, with a view to preventing the infiltration into the Settlement of criminal elements operating from the territory of the puppet Greater Shanghai Municipality. British soldiers are patrolling Nanking Road.

French police in Shanghai arrested and disarmed 80 Chinese guerrillas attempting to filter into the Concession to establish a base for terroristic activities on Jan. 27, but subsequently released them, local Japanese newspapers alleged Feb. 28 in featured reports. The confiscated arms, the papers reported, "apparently" were returned to one Ting Hsi-shan, described as the leader of the guerrillas. Taking a serious view of this alleged incident, the Japanese authorities were making a thorough investigation, the papers said. The guerrillas, they added, were members of the Eighth Corps of the Loyal National Salvation Army operating along the Nanking-Shanghai and Shanghai-Hangchow Railways. They were alleged to have reached Shanghai by boat.

The local *Tairiku Shimpo* attacked the action of the S.M.C. in barricading Nanking Road alleyways, which it called "a cunning attempt to kill two birds with one stone." The Council, the paper asserted, "hopes to ward off strong Japanese demnads and at the same time fan the flames of resentment against Japan among the Chinese population of the Settlement who will be most inconvenienced by this step."

Proposes Nippon Police Chief

Rear-Admiral Kanazawa, chief spokesman for the Navy Ministry in Tokyo, told a correspondent of the *North-China Daily News* that appointment of a Japanese to head the Shanghai Municipal Police, with full control over that organization, would be "one good way" of meeting the situation created by terrorist activities against Japanese puppets.

The *China Times* in Chungking declared that the Japanese were using "terrorism" as a pretext for taking over the International Settlement and French Concession, and recalled the "incidents" which preceded the Japanese occupation of Manchuria and the outbreak of fighting at Lukouchiao.

P. I. 'Dollar Drive' Nets Over $100,000

More than $100,000 have been contributed by Chinese throughout the Philippines in response to the "dollar drive" launched by the Chinese Consul-General Dr. C. Kuangson Young. The contributions, which have already been remitted to the Chinese government, are to be used mainly for the repayment of the export credits granted China by the United States, says a *Reuter* report from Manila.

Dr. C. Kuangson Young

A joint meeting of the boards of directors and supervisors of the Chinese Red Cross Society was held in Hongkong Feb. 25. Dr. C. T. Wang, former Chinese Ambassador to Washington and president of the Society, and Messrs. Tu Yueh-sen and O. S. Lieu, vice-presidents of the Society, were among those attending.

The Chinese Red Cross Society has organized 100 relief units, inculding 4,000 nurses and doctors, for the care of wounded soldiers in the various war zones. They have been responsible for saving approximately 200,000 lives in the past 19 months.

Kunming, the Gateway to Free China

BY GERALD L. G. SAMSON

EVER since the fall of Canton last October, Kunming, the provincial capital of Yunnan, has been the international gateway in and out of Free China (the practicability of the route through Soviet Russia being strictly limited for a variety of reasons); and its stragetic importance and significance has been growing ever since.

Right now Kunming is the China terminus of the French-owned Indo-China-Yunnan railway, the recently completed Yunnan-Burma highway and the Hanoi-Kunming air line. Very soon it will also be the China terminus of another international air route, one from London via Rangoon. And it is only a matter of time—officially two and a half years—before Kunming will be in direct railway communication with Burma. Although construction work began but in December, fifty miles of road-bed have already been laid by some 25,000 workmen; and the first tunnel was being cut through the mountain-side when I inspected the work the other day. By June, I am told, no less than 120,000 men and women will be employed on this undertaking.

Kunming is connected with Chungking, the war-time capital, by a good highway (with branches to other centers); and there is a daily three-hour air service between the two cities.

Kunming's Industries

But this is by no means the whole story. Slowly yet surely Kunming is developing into a highly important industrial and economic center. New streets of stone and cement office buildings have recently been constructed in various parts of the city. On the outskirts, factories (many of which are being transferred from "threatened areas") and new residential sections are springing up. The former include a chemical factory, a glass factory and a flour mill which are already producing. A copper refinery is nearing completion. A factory for manufacturing machinery and another for aircraft are well in hand. And a paper mill and a cement works are projected.

Kunming, even before the war, boasted of an enamel and hardware factory. And the Yunnan Cotton Spinning and Weaving Company's mill, another pre-war enterprise, is being enlarged so as to increase production six times by the end of the year. At the time of my visit, 600 employees (mostly young women, all of whom are primary-school graduates) were working in three shifts of eight hours—compared with the ten hours operatives must work in Shanghai and other Chinese cities. The average earning is 40 cents a day plus lodging—the dormitories being bright, clean and reasonably comfortable. In addition to which the staff receive free educational courses and physical training.

Steps are also under way to increase the amount of raw cotton grown in the province, this being especially necessary since raw cotton and cotton textiles to the annual value of one and a half million Chinese dollars have for years been Yunnan's main imports. Although funds are scarce, a limited quantity of cotton seed is being distributed free, and small loans are being made to farmers in districts which were cultivating the opium poppy until a few months ago.

Nor are the rich mineral resources of the province being neglected. These include tin, copper, lead, antimony, wolfram, coal and small quantities of gold and silver. Except for coal, which is consumed locally, these minerals are mostly for export, some of them featuring in international barter agreements. Yunnan tin is perhaps the best-known abroad and the annual output of 8,000 tons is, from this year, to be expanded to 10,000 tons.

The driving force behind this development work is being supplied by the Central Government on the one hand, and by Mr. Miao Yung-tiao, a Yunnanese, who is director of the local Economic Council and president of the New Futien Bank, on the other. Much more, however, could unquestionably have been accomplished by now were it not for the dearth of labor, particularly skilled labor, and the difficulty of getting the average Yunnanese to see why he should work eight hours a day when the proceeds from two hours work suffice to provide him with all he needs.

Another interesting factor contributing to the present significance of Kunming is that culturally it has become a second Peiping. (physically, it was modelled after the northern capital hundreds of years ago.) The universities of Peita, Tsinghua and Nankai (from Peiping and Tientsin, respectively), with a combined enrollment of some 2,600 students (many of whom walked all the way to Kunming), have formed themselves into the Southwest Associated University which has taken root in the local Agricultural College. The number of students at the National Yunnan University (about 400 when the war began) has been doubled by the steady influx of new-comers from occupied areas. In addition to which many a famous Chinese poet and philosopher has migrated to the new cultural center upon which the sun shines brightly every day.

Incidentally, I had the privilege of addressing large groups of students in each university. And I was much impressed by young China's deep national consciousness as evidenced by the rapt attention with which the students listened to factual descriptions of conditions in the war areas, as well as the vital import to China of the questions asked.

Lung Yun Remains Loyal

It now becomes necessary to clear up the political attitude of Governor Lung Yun towards the present crisis. There have been rumors from time to time, ever since the war started, that the governor was not in sympathy with the policy of long-term resistance and that he was unwilling to recognize the leadership of General Chiang Kai-shek. When last December, Wang Ching-wei stopped over in Kunming on his way to Hanoi, the most fantastic stories, including that of a Yunnanese independence movement, were in circulation. I am now in an authoritative position to state that there is not a grain of truth in any one of them.

In an exclusive interview with the writer on February 1, Governor Lung Yun solemnly declared:—

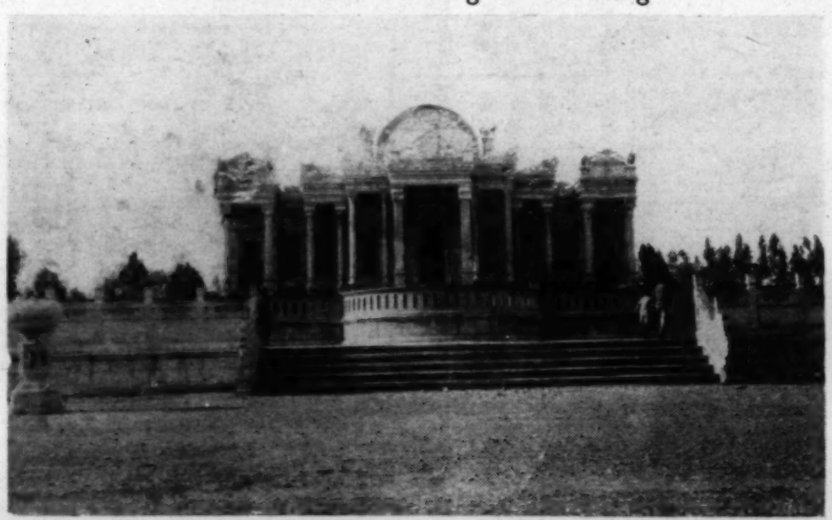
"In my opinion there is no possible alternative to the national policy of long-term resistance. The Central Government, by waging war on the invader, is merely carrying out the expressed wishes of the provinces.

"Yunnan fully supports Generalissimo Chiang Kai-shek and I have already sent to the front 160,000 Yunnanese troops—an original draft of 60,000 and 100,000 replacements. And a further contingent of 10,000 is ready to go. Moreover, I am preparing plans to place the entire man-power of Yunnan at the disposal of the Central Government should it be necessary."

As for the rest, actions speak louder than words. The Governor is indeed loyally cooperating with the military and economic plans of the Central Government. And Kunming is gradually emerging from its chrysalis and equipping itself to assume the commanding position in China's war of resistance that fate has so suddenly thrust upon it.

Kunming, Feb. 5, 1939.

A Government Building in Kunming



Sharp Drop Recorded in Japanese Silk Exports

Japan's exports of raw silk during January, 1939 dropped by 92.1 per cent in volume and 84.3 per cent in value, as compared with the preceding month, according to an announcement by the Central Raw Silk Association and published in the *Chugai Shogyo* for Feb. 18. January shipments recorded a drop of 19,200 bales to the United States, 3,500 bales to Europe and 386 bales to other countries.

These figures contrasted sharply with the totals for 1938, when Japan's raw silk exports showed an appreciable increase over 1937. In 1938, the United States took 13,257 more bales of Japanese raw silk than in 1937. No explanation has been advanced for the sharp decline in the January exports.

When compared with January, 1938, however, shipments of raw silk to the United States in January, 1939 showed an increase of 896 bales.

Intellectuals Desire Anglo-American Cooperation

BY C. Y. W. MENG (孟長渙)

"WHEN the United States and Great Britain cooperate, the world will have peace. While the United States and Great Britain are divided, the world will not have peace . . . . One of the reasons why Europe and the Far East are now in turmoil is the fact that the United States and Great Britain do not truly cooperate with each other . . . Had they cooperated with each other at an earlier date, the situation in the Far East would not have become so bad as it is today. . . ." the *Central Daily News*, official organ of the Kuomintang, declared in a leading editorial November 19, 1938.

This view is fairly representative of Chinese opinion, and perhaps explains better than many pages of analysis why the Chinese people have been anxiously hoping for Anglo-American cooperation ever since the invaders fired the first shot on the fatal night of September 18, 1931.

Anglo-American cooperation is now one of the subjects most widely discussed among Chinese intellectuals in articles, in editorial comment, in conversation and in correspondence with Chinese, American and British friends. In discussion, the Chinese always recollect and deplore the fact that early American efforts to thwart Japanese aggression in China at the outset (meaning, of course, what was attempted by Col. Henry Stimson, the then Secretary of State) were completely nullified due to British non-cooperation, and that British efforts for international consultation concerning the Far East in the summer of 1937 were also nullified by the cool attitude of Washington.

Brussels Failure

The Chinese will tell you how the Brussels Conference failed entirely because of the British demand for American cooperation in European affairs in exchange for cooperation with America in the Far East, to which the United States would not agree.

The Chinese will also tell you very much about the "effectiveness" of Anglo-American cooperation in world and Far Eastern affairs very much in the same way as Col. Stimson told in his famous book *The Far Eastern Crisis*. In addition, they always emphasize that Japan "is peculiarly dependent upon the outside world." She lacks the raw materials from which to manufacture munitions. She has no supplies of oil worthy of the name. But the United States and the Netherlands East Indies supply the bulk of the mineral oil, with the British Empire and the Soviet Union contributing nearly all the remainder. Well over half of the pig iron imports come from the U.S.A. and the British Empire, and almost all of the scrap as well as other iron comes from the U.S.A. and Canada. The U.S.A. accounted for 80.5 per cent of Japan's aluminum imports in 1936; the British Empire and the U.S.A. for 69.7 per cent of the lead and 84.4 per cent of the zinc; the U.S.A. alone for 96.8 per cent of the copper; and the British Empire for 72 per cent of the tin.

The U.S.A. and the British Empire together control 70 per cent of the world's supply of sixteen important minerals and produce two-thirds of the 2,000 million tons of minerals that the world consumes annually. The U.S.A. and the British Empire together are two principal sources of supplies of raw materials to Japan.

The U.S.A. supplies 39 and the British Empire 46.8 per cent of Japan's cotton imports, while 91.3 per cent of her wool comes from British sources. The U.S.A. and Britain also furnish half of the machinery imports and the U.S.A. 94 per cent of Japan's foreign purchases of automobiles and parts. The Chinese also add that to this long list of the materials which the U.S.A. and Great Britain ship to Japan "to enable Japan to carry on her aggression in China," we must add the thousands of tons of Anglo-American munitions, many bombers and hundreds of thousands of barrels of oil which the Anglo-American nations send to Japan!

The Chinese always point out most emphatically that all these materials mean "help to Japan," "gifts to the aggressor," to enable him to break more international treaties and agreements, to disturb world peace, and to increase the sufferings of the victim of the aggression. All these also mean assistance to the aggressor to endanger the lives, property and the legitimtae interests of third Powers in China. The Chinese believe that Japanese aggression will collapse automatically with the severance of supplies of materials and munitions from the Anglo-American nations. Therefore, for humanitarian reasons alone—if not because of moral and legal obligations—

Anglo-U.S. Cooperation

This is a reproduction of a popular poster in Chungking showing the Chinese idea of how effective Anglo-American cooperation against Japan could be.

these two nations should cooperate, particularly during the present critical time, to bring strong pressure to bear upon the aggressor of the East and to bring about peace in the world. This is the consensus of Chinese opinion on what friendly powers could—and should—do for China in her hour of trial.

A New Preoccupation

Never before have the Chinese people been so interested in foreign affairs, the policies of the foreign powers and Sino-foreign relations than at the present time. In less than half a year, two organizations have come into existence. One is known as the People's Foreign Relations Association of China, and the other the Foreign Affairs Research Association. Both have been organized by prominent writers, observers, experts and former diplomatic officials, with a view to studying Sino-foreign problems. At a forum held here on February 2, under the auspices of the People's Foreign Relations Association of China, many Chinese gathered to discuss one important subject—Anglo-American cooperation.

Chow Keng-shen, a noted writer, said that Anglo-American cooperation and sanctions to oppose Japan are closely related with each other, and that without the former it is impossible to check the Japanese aggression. The same speaker pointed out that if the U.S.A. and Great Britain cooperated, Japan would have no courage to embark on any new adventure, and that Japanese aggression would collapse.

Although the Chinese are hoping most anxiously for Anglo-American cooperation, they appear to be quite aware of the obstacles in the way. Chang Chung-fu, a writer on diplomatic subjects, speaking before the same forum, pointed out five obstacles, namely, inelasticity of the American Constitution, which hinders the American government from taking timely actions simultaneously with the British; impossibilty of the British Navy to concentrate in the Pacific for concerted action with the American; differences in geographical situation, which necessarily involve differences in the national defence of two nations; long-existing economic conflict between the two nations; and the mutual suspicion that the one was being unjustifiably "utilized" by the other during the World War.

The New Trade Treaty

But the same speaker pointed out that with the signing of the Anglo-American Commercial Treaty on November 17, 1938 at Washington, the economic conflict is now over. With the continuous expansion of the American and British navies, other obstacles are also being removed. What remains is therefore the inelasticity of the American Constitution and the mutual suspicion between the two states. In his conclusion, he said that it is far more practical and feasible for Anglo-American cooperation to take place in the form of economic sanctions against Japan, than in military actions—parallel action, rather than concerted actions.

Hu Chiu-yuan, a keen observer, also pointed out the obstacles, but said that there are some "natural reasons" why these two nations would cooperate at last, naming them as follows:

1. The present Japanese threat to Anglo-American commercial interests in China now transcends by far the economic rivalry of the two nations.
2. Great Britain is now fully aware of the Japanese imperialistic scheme in Asia.
3. The Anglo-American nations are now building up their navy *after the Chinese prolonged resistance* to the Japanese invasion. To this speaker, prolonged resistance by the Chinese is one of the ways to promote Anglo-American cooperation.

In other words, the Chinese are fully aware of the obstacles on the way, but consider such are not insurmountable. Mutual dependence in handling world affairs effectively will soon *naturally* cause these two nations to cooperate.

Shao Lih-tze, a veteran member of the Kuomintang and former director of the publicity department, said that the reason why we discuss Anglo-American cooperation and not Anglo-American-Franco-Soviet cooperation, is that the Soviet has already ceased sending munitions to Japan, and thus has already *ipso facto* invoked economic sanctions against that country, whereas French policy essentially follows that of the Anglo-American nations. "So the Far Eastern situation is in the hands of the Anglo-American nations, not so much the Franco-Soviet nations." To him, Anglo-American cooperation may take the form of economic retaliation against Japan, "but Japan could do nothing in reply."

Therefore, it is very clear that while the generals, soldiers and aviators are fighting most desperately on the battlefield to check the advance of the enemy, the intellectuals in the "rear" are fighting equally desperately on the "diplomatic" field to ensure the "final victory" to China.

Chungking, February 7, 1939.

N.E.I. Adopts Big Defense Budget As Plan for Guam Base Is Defeated

BY a vote of 193 to 164 the House of Representatives in Washington on Feb. 23 rejected the proposal of the Administration to extend the air base at Guam at a cost of U.S.$5,000,000. Defeat of the project was effected by giving approval to an amendment to the Vinson Bill providing for the construction of 12 new air and navy bases at a total cost of $52,000,000. The remainder of the provisions of the Bill were adopted by a vote of 368 to four, the total estimate being reduced to $48,000,000.

Despite the adverse vote on the Guam project, Administration quarters were said to be hopeful that the Senate would pronounce itself in favor of the project and that, as a result, it would eventually be passed by the House. That the Administration was disappointed, was indicated in a *Havas* dispatch from Washington, which said it was regretted that "at a time when Japan is showing further aggressiveness, the House did not assume a more favorable attitude towards the establishment of a first line of naval defense as far as possible from the American continent."

Political observers attributed the Administration's defeat to division of efforts by partisans of the Guam fortification project. Too much stress, they said, had been laid on the necessity for creating a commercial air base at Guam, instead of emphasizing it as a vital need to repel eventual attacks by Japan.

Tokyo newspapers hailed the defeat of the Guam project, declaring it to be a matter for congratulation to both America and Japan, since it "had strengthened peace in the Pacific." The *Asahi Shimbun* said that if the project had passed the House it could have served "only to irritate Japanese sentiments," while the *Kokumin Shimbun* believed that President Roosevelt's prestige "has possibly gone with the Guam defense plan."

Penang Gets Garrison

On Wednesday of this week, according to a *Reuter* message from Singapore, a commencement was to be made with the garrisoning of the new fortress on Penang Island, in North Malaya, which guards the western approach from the Indian Ocean. A battery of heavy artillery and British and Indian troops were to be transferred from Singapore.

Fixed defenses have already been established on Penang Island, the topographical features of which make it an ideal fortress. Fear of the possible vulnerability of Penang harbor in time of war has long caused anxiety, says *Reuter*, recalling the havoc to shipping wrought by the German cruiser *Emden* during the last World War.

Simultaneously with the moves for the garrisoning of Penang Island, the Netherlands East Indies government has made provision for the expenditure of £15,000,000 for defense purposes, according to *Reuter*. Java newspapers approve the big expenditure on defense in view of the "uncertain times" and commend the attitude of the Dutch colonial government.

Amerasia, N. Y.

Air Defense Stressed

Particular attention is being paid to air defence. Eighteen Dornier seaplanes for the naval air service are to be built at factories in Holland. This is only a small part of the big order for aircraft for the Netherlands East Indies. Other Dorniers are being built in Germany, and the first of them have already arrived in Java by boat. Other fighting planes are being ordered in large numbers from the United States, chiefly Glenn Martin bombers.

The naval squadron based on Sourabaya, Java, is also being considerably increased. Cruiser strength is being raised from three to six within the next three years. The six new cruisers will be of 8,000 tons.

Other warships in the Dutch East Indies include the flotilla leader *Tromp*, eight destroyers and 12 large submarines. Powerful coast batteries have been established to protect the naval docks at Sourabaya.

Transportation Trust Given Rail Control

A final decision has been reached by the all-powerful official Asia Development Board for establishment of a concern to be styled the "North China Transportation Company," states a *Reuter* dispatch from Tokyo. The company, according to the Japanese press, will control all the important railways and motor bus routes in North China under Japanese military occupation, including the Peiping-Hankow Railway, the Tientsin-Pukow Railway and the Peiping-Paotow Railway.

The concern will be managed by a staff furnished by the Japanese-owned South Manchuria Railway Company.

It will be established under the Chinese system of incorporation, and will be capitalised at Yen 300,000,000 in 6,000,000 shares at 50 yen each. The ratio of investment has been fixed as follows: North China Development Company, an official Japanese corporation, Yen 150,000,000 in kind; the "Provisional Government" at Peiping, Yen 30,000,000 in face value, and the South Manchuria Railway Company, Yen 120,000,000 in face value.

As to cash payments by the "Provisional Government" and the S.M.R., the company will call up about one-fifth within the present financial year, which expires at the end of March, and a quarter more during the next financial year.

All public motor bus services in North China and Inner Mongolia will be run by the North China Transportation Company.

It has not yet been decided, however, whether the Lunghai Railway, which is partly under Japanese military occupation, will be placed under the company's control.

Mr. Kanji Usami, adviser to the South Manchuria Railway Company, who is in charge of its North China office, will be appointed president of the company. Mr. Teiji Goto, who used to be director of the Tokyo Municipal Electric Bureau, will be one of its two vice-presidents. A Chinese will be appointed the other vice-president.

In line with this project, a plan for establishing a concern to be known as the Central China Transportation company will be drafted by the Asia Development Board.

British Taiping Victims' Remains Exhumed Here

The Shanghai Municipal Council announced this week the progress made in plans for the exhumation and re-interment of the remains of British soldiers killed, or who died, at Shanghai during the Taiping Rebellion, 1862-1865 and who were buried in the British Soldiers' Cemetery on Ming Kok Road, Nantao, scene of bitter fighting during the 1937 hostilities between China and Japan, and now under Japanese military occupation. Work of exhumation has been completed, the Council said, the remains of 316 adults and two children having been found. They have been removed to Hungjao Cemetery and placed in two large-sized vaults pending arrangements for their reinterment. Cost of the work was approximately $850.

Singapore Chinese Have Their Ears Lopped Off

Four Singapore Chinese have had their ears cut off in less than a fortnight, two instances occurring the same night according to *Reuter*.

The ear-slicing is alleged to have been caused by the determination of Chinese secret societies to enforce a strong anti-Japanese attitude among all Chinese in Singapore.

New Messageries Maritimes Home Adds to Big French Investments

ADDING appreciably to the total of French investments in Shanghai, a nine-story modern skyscraper of artificial stone, new headquarters of the Messageries Maritimes, French Shipping Company, was officially opened on Monday of this week with a ceremony presided over by Mr. F. Knobel, French Charge d'Affaires. The new building, at 9 Quai de France (French Bund), erected on the site of the company's former offices, is unique in Shanghai because it has been fitted with what is claimed to be a bomb-proof roof, presumably in expectation of further troubled times for this city.

The old Messageries Maritimes building was razed in March, 1937, shortly before the commencement of the Sino-Japanese hostilities. In July of that year, the new structure, now one of the most imposing edifices on Shanghai's waterfront, commenced to rise. Completed in January of this year, it has taken about 18 months to build.

French interests in China have gained a strong foothold within the past two decades, at the same time contributing greatly to the promotion of mutual trading between the two countries. In this connection, some outstanding developments have taken place during more recent years in the progress of the French Concessions in Shanghai, Tientsin, Hankow, and Canton, where municipal control is exercised by France by virtue of treaty rights with China.

The largest and richest of these territories is the French Concession in Shanghai, which has risen to a large and important status in building and commercial activities during the last eight years, and can be looked upon as indicative of the general rise throughout China of French business influence.

Messageries Maritimes New Building

Established in 1849

This territory at Shanghai, it may be recalled, was first established in 1849 and subsequently increased in area during the years 1861, 1900, and 1914. The more important section of French interests in Shanghai, including material, capital, and cultural activities, are not solely confined to the Concession, but extend far into the neighboring areas of the International Settlement and the Chinese outlying districts.

Major French interests in Shanghai may be classified in four groups, these being: Industry, Commerce, Banking and Real Estate. Industrial interests in Shanghai are, to a great extent, centered in the various branches of public utility service, which is consolidated under the supervision of one large concern, the Compagnie Francaise de Tramways et d'Eclairage Electriques de Changhai. This company holds the monopoly for public transportation as well as for the distribution of water and electricity in the Concession.

Public transportation is assured by streetcars, omnibuses, and trolley cars. In 1937, approximately 50,000,000 passengers were carried in these vehicles of the Company. The distribution of water is effected through 140 kilometers of piping which supplied 19,000,000 cubic meters of water to clients last year. Electricity is supplied by means of two power stations which, in 1937, supplied over 61,000,000 kilowatt-hours to about 40,000 clients.

Besides the above Company's works, the following French concerns in Shanghai also figure prominently in industrial development: The Societe Franco-Chinoise de Constructions Metalliques et Mechniques, more widely known under the name of "Kiousin," is a subsidiary of the Compagnie des Messageries Maritimes, with a capital of Tls. 1,200,000. There is also the Societe d'Oxygene et d'Acetylene d'Extreme-Orient, which is a subsidiary of the "Air Liquide" of Paris, with a capital of Frs. 10,000,000. This concern ensures the production of oxygen and acetylene, compressed air, and nitrogen.

Commercial activities cover another wide and varied field, and among the more important French import and export firms are Racine & Co., Olivier-Chine, Cie. Optorg, Baboud-Mary & Co., Rondon & Cie., Madier, Ribet & Cie., Egal & Cie., etc.

When an important market for foreign industrial products developed in China following the World War, several important manufacturing firms in France opened branches in Shanghai. Among these are the Kuhlmann Establishments (chemical products), the Societe de Pont-a-Mousson (cast iron piping), the Societe d'Electro-metallurgie d'Ugine (special quality steel), L. Dreyfus & Co. (cereals) etc.

Banking Institutions

Banking facilities are provided by two large French banks with head offices in Paris, while there is also a third bank of local origin. These banking institutions are the Banque de l'Indochine, with a capital of Frs. 120,000,000, and the Banque Franco-Chinoise, which has a capital of Frs. 50,000,000. Both these concerns finance the greater part of trade exchanges between France and China and also between China and Indo-China. The other bank, the Union Mobiliere, with a capital of Sh.$ 2,000,000, serves local business concerns principally.

A glance at maritime communications between France and China reveals a regular twice-monthly service by mail liners of the Compagnie des Messageries Maritimes, whose vessels ply between Marseilles and Kobe, with stop-overs at Saigon and Shanghai. The head office is in Paris, where the company is registered with a capital of Frs. 80,000,000. Another shipping concern, the Societe Francaise du Haut-Yangtse, maintained two vessels for river-boat service between Chungking and Shanghai before the outbreak of hostilities.

There are a number of important insurance companies, either French or with large French interests, which have established offices in Shanghai. Among these are L'Union, L'Abeille, La Nationale, L'Assurance Franco-Asiatique, and the Compagnie Franco-Americaine d'Assurances. One of the principal savings societies in the

Kuling Refugees Reach Shanghai; One Tells of Nippon Aerial Terror

A party of foreigners who evacuated Kuling, summer resort on Mount Lushan, Kiangsi province, on Feb. 22 arrived in Shanghai Monday of this week aboard the Japanese Army transport *Naruto Maru*.

Thirty-nine of 47 persons who left Kuling sailed from Kiukiang on Feb. 23. Names

Kuling School Principal

Mr. Roy Allgood, principal of the American School in Kuling, was among the party of foreigners who arrived here from the mountain resort this week on the Japanese transport Naruto Maru. He is seen above, with Mrs. Allgood, who met him at the dock.

of those who evacuated the mountain resort were announced as follows:

Americans—the Rev. J. V. W. Bergamini, Mrs. Bergamini and two children; Mrs. J. W. Bradley, Miss W. Kalsbeck and two adopted children, Mr. Roy Allgood;

Swedes—Mr. E. Anvill, Mrs. E. Anvill, Miss B. Anvill, Miss M. Anvill, Miss Osterberg;

Latvian—Mrs. M. Maltz;

Belgians—Mme. Margurite Delooz, Miss Lydia Delooz, Miss Lucy Delooz;

Britons—Mr. and Mrs. James and two children, Mr. and Mrs. Jones, Capt. T. J. Lindsay and Mrs. Lindsay, Mr. and Mrs. Melville, Miss Robertson, Mrs. Taylor, Miss Razavet, Mr. Lester, Mrs. Lester, Miss Lester, Mrs. Gillan;

Germans—Mrs. J. E. Lipporte, Miss Marie Lipporte, Miss Lottie Lipporte, Mr. Hans Lipporte, the Rev. H. Wupperfield, Mrs. H. Wupperfield, David Wupperfield;

Russian—Mr. S. Chislavsky.

The Rev. Mr. Bergamini left for Hankow Feb. 23 on the U.S.S. Oahu. Kiukiang was given as the destination of Mrs. Taylor, the Lester family and Mr. Hans Lipporte.

Pledged to Silence

According to the *China Press*, the evacuees were pledged to silence by the Japanese military authorities, but one man, who preferred to remain anonymous, told how the Kuling colony had its first taste of Japanese aerial terror on Feb. 16.

For days, he said, shells had been falling about the town, but on Feb. 16 a flight of more than nine. Japanese planes appeared over the resort and dropped about 40 bombs. As far as was known, there were no casualties, but three foreign residences previously evacuated were destroyed beyond repair.

This evacuee also said that he had filled a large bag with shell fragments which had fallen around his house during the past month, but due to the conditions of departure he had been obliged to leave the collection behind in Kuling.

houses were demolished by Japanese bombs, casualties totalled only 30, it was reported.

Among the planes destroyed in combat over Lanchow, *Domei* reported, were 60 machines of the American Seversky and Curtiss-Hawk types, as well as Soviet-built I-15 and I-16 machines. Their destruction was described as a major blow at China's attempts to reconstruct her air force.

With the approach of clearer weather in spring, and the likelihood of more intensive Japanese aerial bombing, the Executive Yuan has ordered immediate evacuation of civilians from Chungking, Chengtu and Kweiyang in a circular to the municipal governments of the three cities. The order was issued under instructions of Gen. Chiang Kai-shek, president of the Supreme National Defense Council.

Chungking Precautions

Almost one-fourth of the buildings in Chungking are to be torn down to furnish fire breaks in anticipation of renewed air raids on the provisional capital, *Reuter* reported Feb. 24. The problem of air defense is causing great anxiety to the Chungking authorities in view of the fact that 530,000 people are "packed like sardines" into the small island-like city.

The authorities in Kunming, in an effort to minimise the havoc caused by fire consequent upon air raids, have decreed that in main thoroughfares every fifth shop must have mud walls replaced by extra thick walls and that every thirteenth shop shall be razed in order to create fire breaks. The last bombing of Kunming took place on Sept. 26 last year.

According to *Domei*, building contractors in Sian are doing a thriving business by excavating air-raid shelters in the city walls and into the sides of surrounding hills. Chinese administrative offices, as well as those of the Soviet military mission in Sian, were recently transferred from Chungshan Park to the Mount Wuchuan area, the agency said, remarking that the Soviet military mission was supervising the transport of Soviet arms and munitions into China along the "Red Route" which runs from Sinkiang.

One teacher and two students of the Christian and Missionary Alliance establishment in Wuchow, Kwangsi, were known to have been killed recently by Japanese aerial bombs when the launch in which they were travelling farther inland reached Wingshun. The launch was singled out for attack by the raiders, who bombed and machine-gunned the vessel, causing an undetermined number of casualties. Numerous dead were subsequently taken into Nanning and there buried in the church cemetery, according to a *North-China Daily News* correspondent.

Japan's Air Losses

Up to Dec. 30 last year, the Japanese air force lost a total of 1,010 airplanes in China, a Chinese military spokesman announced in a press interview at Chungking.

Some 647 Japanese airplanes were directly destroyed by the Chinese forces, while 363 others were lost in accidents. Of the 647 machines lost, 221 were shot down by Chinese pursuit planes during aerial combats, 179 were bombed and destroyed on the ground, 83 were brought down by Chinese anti-aircraft guns, 107 destroyed by Chinese land forces, 11 brought down by Chinese artillery forces, 19 seized or destroyed during forced landings, while 27 were hit and crashed behind Japanese lines or other unknown places.

Since the start of the hostilities, the spokesman said, the Japanese air force has lost an average of 56 airplanes per month.

Since Jan. 1 this year, he added, the Chinese have brought down 24 Japanese airplanes, including 15 shot down during the recent Japanese air raids on Lanchow, provincial capital of Kansu.

(*Continued From Previous Page*)

city is the French-owned International Savings Society, with a capital of Frs. 8,000,000 and Sh.$1,000,000. This society extends its activities to all treaty ports in China, to Indo-China, and even to France. The capital is mostly invested in a number of local concerns and municipal loans, both of the French Concession and International Settlement, and in this way it has contributed to the progress of the Concession. Its securities in bills, mortgages, and real estate were estimated at Sh.$ 31,000,000 in December 1937.

Real estate activities are in the hands of two large concerns, the Societe Fonciere et Immobiliere de Chine, which is a subsidiary of the International Savings Society, and the Credit Foncier d'Extreme Orient. The former is a French public company which owns and manages many important estates, buildings and houses in Shanghai. The latter is an establishment of Belgian origin which, however, includes considerable French interests.

The French press in Shanghai is represented by the Havas News agency, the *Journal de Shanghai*, a daily newspaper, and the *Revue Nationale Chinoise*, a monthly publication.

Finally, the list of French activities in Shanghai would not be complete were special mention not made of the Siccawei Observatory, a meteorological station operated by Jesuit missionaries. The Observatory includes a time station, a maritime service, an astronomical and a geophysical station.

Yangtsze River Drive

(*Continued from page 11*)

vasion of Fukien province. In this connection, intelligence reports from Kweilin were cited, showing that between 30,000 and 40,000 Japanese troops have been transferred from the Canton area elsewhere.

The total strength of Chinese guerrillas operating behind the Japanese lines exceeds 2,500,000, according to an estimate of the military authorities in Chungking published in the *Sin Wen Pao*. Some 20,000 Japanese soldiers, on the average, are being killed each month by these irregulars, the paper claimed.

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Japanese Raiders in Lanchow Battle

Japanese aerial bombing is proceeding with unabated fury. In a third raid on Lanchow, provincial capital of Kansu, 56 Chinese planes were shot down on Feb. 23, while three of the Japanese raiders crashed with their crews of 18 men, according to a *Domei* message from Tokyo. In this and two earlier raids on Lanchow, it was claimed, a total of 113 Chinese planes was destroyed, including grounded machines demolished by falling bombs. Chinese dispatches from Chungking denied the Japanese claims in connection with the latest bombing of Lanchow and claimed that six Japanese machines were shot down. Although 200

Mediation in Sino-Japanese War Urged by Wayfoong Bank Chairman

A significant reference to the Sino-Japanese hostilities was made in Hongkong Feb. 25 by T. O. Pearce, chairman of the Hongkong & Shanghai Banking Corporation, at the annual meeting of shareholders. Mr. Pearce, as reported by *Reuter*, said that "things are drifting dangerously, and that the gap will grow more and more difficult to bridge unless mediation is attempted soon."

It was announced at the meeting that the net profit earned by the Bank in 1938 amounted to the huge sum of $15,296,621, while cash assets rose by over $42,000,000 as compared with the figure at the end of 1937.

Mr. Pearce, while not criticizing British policy with regard to China, declared that "our important stake in the economic structure of the Far East has made us most anxious that treaties and agreements be carried out."

While Mr. Pearce was delivering his speech to the shareholders, the Japanese *Domei* agency in Shanghai was putting out an obviously government-inspired dispatch from Tokyo in which the Hongkong & Shanghai Banking Corporation and the Jardine, Matheson Company were charged by "usually trustworthy sources" with having launched "an energetic program to assist the regime of Gen. Chiang Kai-shek by facilitating the transportation of arms and ammunition into Nationalist territory through the Burma route."

The "joint program" of the two British companies, the agency said, "provides for the improvement of transportation facilities in Burma by water, highway and rail . . . Warehouses for the storing of China-bound war material are rising at various points, principally along the Irrawaddy River, used to carry arms and ammunition from Rangoon to Mandalay, and along the highways from Rangoon to Lashio. Meantime, efforts to rush to an early completion the railway from Kunming to Talifu in Yunnan province were being pushed, reports indicated."

Continuing, the *Domei* dispatch said: "As indicative of the development of Rangoon into the principal port for the importation of arms and ammunition into China was cited the decision of the American Pioneer, Isthmian and President lines to designate Rangoon as the landing place for China-bound cargo. This step was ascribed to the reinforcement of the Japanese coastal blockade against Chinese shipping following the occupation of Hainan Island."

According to the Japanese agency, the s.s. *Wichita*, an American vessel, left America for Rangoon on Feb. 3 with a large number of trucks and other cargo, while the s.s. *President Monroe* sailed for Rangoon on Feb. 10 with a further heavy consignment of supplies for China. Additional sailings of American vessels to Rangoon were scheduled for March and April, the agency claimed.

Japan's note of regrets for the bombing of British territory near Shumchun, Kwangtung, on Feb. 21, was acceptable to the

The Signing of the Nine-Power Treaty in Washington, 1922

Representatives of nine states, the United States, Great Britain, France, Holland, Belgium, Portugal, Italy, China and Japan, came together at the Washington Arms Conference in 1922 and put their signatures to an instrument known as the Nine-Power Treaty, whereby the several governments bound themselves to respect China's sovereignty and administrative integrity. Having violated the collective pledge in which she joined 17 years ago, Japan now declares the Nine-Power Treaty to be obsolete, a view which the United States, Britain and France have refused to accept. The picture shows the treaty-signing ceremony as recorded by the camera at the time.

British Government, Sir Robert L. Craigie, British ambassador in Tokyo, informed Mr. Setsuzo Sawada, vice-minister for foreign affairs, on Feb. 23.

The Japanese note, dispatched to Whitehall by Mr. Hachiro Arita, foreign minister, expressed the regrets of the Japanese government over the incident, which was ascribed to an accident, and offered to pay full compensation for human casualties and material losses. The note also said that disciplinary action would be taken against those responsible for the mishap.

Sir Robert remained in consultation with Mr. Sawada for 15 minutes, during which, it was understood, they discussed the formula for the official announcement of Britain's acceptance of the Japanese note of regret, *Domei* said.

70 Japanese Enjoy Millionaire Incomes

Japan has 70 individuals whose annual income is estimated at more than Yen 1,000,000, according to data, giving figures of the total amount of individual incomes estimated for tax collection purposes, submitted by the Finance Ministry to the taxation committee of the Lower House.

The estimated amount of individual income subject to taxation for the current year reached Yen 3,820,000,000, while the number of taxpayers was revealed as 1,657,000, including 340,000 individuals whose annual income is less than Yen 1,500.

Commodity Census in July

Effective July 1, the Japanese government intends to mobilize all the retail dealers in the Empire and to conduct a "national commodity census" by making them file statements showing their gross sales volume and the value thereof during the previous 12 months. This is according to *Reuter*.

The commodity census, it is expected, will have a far-reaching effect in the proposed reconstruction of Japan's economic system, which the government desires in connection with its protracted war and long-term construction plan.

The Government already has all necessary data concerning key commodities, but in regard to the consumption of daily necessities bearing vitally on the life of the nation, it has been helpless largely because of difficulty in investigation. A recent regulation passed by the Diet now makes a "commodity census" possible.

Lenin's Widow Dies in Moscow at Age of 70

Nadezhda Konstantinovna Krupskaya, 70-year-old widow of the late Vladimir Lenin, principal architect of the Russian Bolshevik Revolution, died in Moscow on Feb. 27. Only two days before the announcement of her death, the Soviet press had been filled with eulogistic articles on the occasion of her 70th birthday.

Krupskaya, as she is popularly referred to in Russia, first met Lenin when they were students together at the St. Petersburg technical institute. She followed him into Siberian exile in 1897 and during his exile abroad acted as corresponding secretary of the Bolshevik Party.

In the years between 1923 and 1928, when the struggle between the Stalinist and Trotskyist factions in the party was approaching the climax of Trotsky's expulsion from the U.S.S.R., Krupskaya was known to sympathise with the Oppositionists. Later, when she had immersed herself in educational work, her name sometimes appeared over denunciations of Leon Trotsky and it was freely rumored abroad that her name was thus used without her approval, much less consent.

Britain, France Recognize Franco As Spanish Civil War Nears Its End

FULL and unconditional *de jure* recognition of the Spanish fascist government of Gen. Francisco Franco was announced Feb. 27 by the British and French governments, thus marking another stage in the civil war which, starting in July, 1936, has raged throughout Spain for more than two and a half years.

The Spanish Loyalist President, Manuel Azana, who fled to Paris when Franco's troops occupied Catalonia, has resigned. Premier Juan Negrin was still believed to be in Madrid early this week, although his Loyalist government, having literally fallen to pieces, is virtually *non est*.

At Burgos, preparations were proceeding for a triumphal entry by the rebel forces into Madrid, the population of which is reported to be nearing starvation and anxious to see an end to the hostilities. European observers believed the Franco armies would have little if any difficulty in entering the former capital, which has been besieged for nearly two years, since the Loyalist defending troops are in no mood to continue defending their positions.

Spoiled Brats

Franco Gets Gold

The French government, according to a Paris announcement, has recognized the Franco government as the rightful owner of all Spanish properties in France, including the gold reserves of the Bank of Spain. *De jure* recognition of the Franco government has also been extended by Holland, Turkey and Venezuela, with many other governments ready to follow suit in the nearest future.

Recognition of Franco by France and Britain, regarded as inevitable for the past several weeks, caused some heart-burning in London, where sympathizers of the lost Loyalist cause staged a demonstration in Whitehall by way of protest. Labor Party leaders, inlcuding Major Attlee, Herbert Morrison and Ellen Wilkinson addressed the crowd which passed a resolution expressing "shame and abhorrence" at the action of the Chamberlain government.

In both London and Paris, government circles spoke of the recognition of Franco with what appeared to be a sigh of relief and declared the step to be logical and unavoidable. Moscow's chagrin was expressed by the government organ, *Izvestia*, which, speaking of France's action, said "recognition of Franco is a heavy blow to the Spanish Republic and a still heavier blow to France. One may resort to capitulation as to a painful step, but one must not turn capitulation into a profession and religion by each time celebrating the disgrace as an advent of the Holy Spirit." The Soviet government has appropriated 5,000,000 francs for relief of Spanish refugees and has remitted the sum to the Spanish ambassador in Paris, *Tass* reports.

A new complicating factor on the troubled European scene emerged Feb. 24, when violent anti-German demonstrations were staged by Polish students in Warsaw, Poznan and Danzig. Protesting against the pro-German orientation being pursued by Polish Foreign Minister Col. Joseph Beck, the students marched before the German embassy in Warsaw, shouting "Down with Germany!"

Militarization of Danzig

According to a Warsaw message to the Paris *Le Figaro*, the militarization of Danzig is nearing completion. The Polish government, it was stated, is aware that Danzig is being abundantly supplied with guns, tanks and munitions, presumably by Germany, to whom the free city would be of immense strategical importance, both naval and military, in the event of war.

In the Mediterranean area, Italy still maintains a hostile attitude toward France, and according to London reports is contemplating seizure of several ports in Albania as a sop to Italian public opinion which may be disturbed if and when Italian troops are withdrawn from Spain with the end of the Spanish civil war.

That Nazi Germany is working in close cooperation with the Italian partner in the fascist axis was indicated by the *Manchester Guardian*, which reported the dispatch of a considerable number of German troops to Italian possessions in Africa. In addition, the paper asserted, consignments of German war material are being sent to Italy the whole time, with Genoa as their destination, from where, presumably, they are forwarded to Libya.

The paper stated, also, that maps of British Kenya and Tanganyika are being prepared for the German corps, mostly for the use of the airmen. "The German military preparations indicate that the possibility of armed action on a big scale is being reckoned with in Berlin. If only small detachments were being sent to Libya with the idea of giving Italy moral support, it would not be necessary to produce tropical uniforms and equipment in such great quantities."

60,000 Tons of Nippon Goods Accumulated Here

Nearly 60,000 tons of goods from Japan are now lying in godowns on N.Y.K. wharves and in Japanese shops in the Hongkew area, according to the *Tairiku Shimpo*, which saw this as a reflection of the "thrifty habits" of local Japanese residents.

Among the goods are 4,000 tons of paper, 2,500 tons of *sake*, 2,100 tons of cement, and 1,500 tons of canned articles, now overflowing the godowns in Hongkew, which have a capacity of only 50,000 tons.

During New Year holidays 62,244 tons of goods imported from Japan last December were exhausted, but 42,000 tons imported in January added to the surplus on hand. About 100,000 pieces of *tatami* (Japanese mats) are finding a ready market, which is indicative of the desire of Japanese residents to make their dwellings like those at home, the paper said.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 12

"The Japanese landing on Hainan Island marks a turning point in the history of the Pacific and is the most important event since the commencement of the Sino-Japanese hostilities," declared Generalissimo-Chiang Kai-shek in interview at Chungking. Gen. Chiang said:

"Hainan Island is an important strategical point between the Pacific and Indian Oceans. Should an enemy occupy the Island, not only would communications between Hongkong and Singapore, and Singapore and Australia be interrupted, but also the security of the Philippine Islands would be threatened. This would be the beginning of Japan's naval dominance in the Pacific Ocean."

Seizure of Hainan, he said is a challenge to Great Britain and the United States as well as France; Guam may be the next objective if Japan is not checked.

Shanghai Municipal Council issued statement in connection with recent visit paid to Cornell S. Franklin, Chairman, by Japanese Consul-General Y. Miura, requesting S.M.C. officials to "suppress terrorist acts in the Settlement." The Council took a firm stand in support of the Municipal Police against the Japanese complaint and demanded from the Japanese authorities more co-operation in suppressing crime which had grown up in the "badlands" in the Japanese-controlled wastern district.

Japanese military authorities have postponed the time limit for the evacuation of foreign residents of Kuling mountain resort until Feb. 20, according to word received in Shanghai from American and British naval and consular representatives at Kiukiang.

Present population of Chungking totals 344,000, excluding the personnel of government offices.

North China Tobacco Company, organized by nine large tobacco interests, will shortly be opened at Peiping with a Japanese as the head. New concern to be capitalized at $10,000,000 will have monopolistic control of tobacco trade in North China.

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February 13

Twenty-one Japanese airplanes, in two squadrons, yesterday raided Lanchow, capital of Kansu. Some 80 bombs were dropped on outskirts of the city. The raiders were engaged in combat by Chinese pursuit planes and finally driven off.

Corruption on the part of Shanghai International Settlement Police alleged by Japanese naval spokesman at Shanghai, who said that "certain members of the S.M.P. have amassed huge fortunes from the protection of gambling dens." International Settlement described as a terrorist base.

Japanese claimed the French Government was satisfied with Tokyo's explanation of occupation of Hainan Island; object of occupation described as measure "to strengthen Japanese blockade of South China." France told that Japan "has no territorial designs on Hainan Island."

Japanese occupation of Hainan hailed by Italian and German press. Event interpreted as blow to the prestige of the so-called democracies. "Blind conservatism of the Powers" said "punished" by Japan.

February 14

Serious fighting taking place near Meitung, south of Sansingpu, on Hainan Island, where Chinese forces are resisting Japanese. Japanese aircraft heavily bombing new Chenmai city and also Chingchiang. Japanese troops pushing inland from Hoihow in the direction of Wenchang. According to Tokyo report, Japanese troops landed at Samah, on southern part of Hainan.

U.S.S. **John D. Edwards,** destroyer, arrived at Hainan to protect Americans, or to evacuate them if necessary.

Sir Robert Craigie, British Ambassador at Tokyo, protested to Japanese Government against occupation of Hainan Island, demanding explanation for the move. Hachiro Arita, Japanese Foreign Minister, replied that duration of Japanese occupation of Hainan would not exceed that of military necessity and that Japan had no territorial designs there.

Heavy gunfire heard in western district of Shanghai, just outside boundaries of French Concession, indicating renewed outbreak of guerilla warfare.

Two Koreans and one Chinese interpreter accompanying them shot and killed in Shanghai's western district by unknown gunmen.

Major K. M. Bourne, Commissioner of Shanghai Municipal Police, denied Japanese charges that retired members of S.M.P. had accepted bribes and "Squeeze" which enabled them to retire with "amassed fortunes."

Chinese forces on Hupeh-Hunan border yesterday launched surprise attack along Canton-Hankow Railway and occupied Yanglousze, northwest of Yochow.

Japanese aircraft severely bombed Sian, capital of Shensi, on Feb. 12, according to Japanese report.

Another **Domei** news agency man, Itsuro Mori, killed in action on Hankow front on Feb. 4; was the 7th employe of **Domei** killed since outbreak of the war.

Chinese Foreign Office issued statement, strongly criticising action of Japanese Government in allowing the "so-called Peiping and Nanking Governments" to take over the premises of Chinese Embassy at Tokyo on Feb. 4.

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February 15

Yulin, at southern extremity of Hainan Island, occupied by Japanese landing party yesterday at noon, according to Tokyo report. City fell before combined Japanese land and air attack.

Japanese landing at Yulin confirmed by reports received at Chungking. Gen. Wang Yi, Garrison Commander of Hainan, ordered by Gen. Chiang Kai-shek to put up determined resistance to Japanese occupation of the island. Japanese aircraft subjected north-eastern section of Hainan to heavy aerial bombing and as result, the entire city of Tingan was in flames.

Prince Sha, aged Mongolian leader now visiting in Chungking, affirmed loyalty of Mongols to National Government. He declared: "Mongolia will always be an integral part of China, and the Mongolian people will obey absolutely the orders of Central Chinese Government and support the Generalissimo, Chiang Kai-shek, in the present war of resistance against Japan." An army of 50,000 Mongolians being trained to fight for China. Activities of Prince Teh Wang who has become a Japanese puppet, deplored.

Chinese mobile units reached outskirts of Wuchang, according to Chinese military report.

Contact believed to have been established through raido with foreign residents marooned at Kuling mountain resort, advising them of the Japanese warning for their evacuation before Feb. 20. Chungking said to have instructed Chinese military authorities on Kuling to grant the foreigners permission to evacuate and give them safe escort through their lines. According to tentative arrangement, a party of American and British naval officers at Kiukiang will proceed to Kuling on Feb. 17 to prepare evacuation plans.

Joint and concerted diplomatic action by French, British and United States Governments over Japanese occupation of Hainan Island, advocated by Jean Mistler, President of French Chamber of Deputies' Foreign Affairs Committee.

Hing Wong, well-known Chinese newspaper man, died at Hongkong.

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February 16

After withdrawing from coastal cities, Chinese forces on Hainan Island are taking up new positions near the foot of Five Fingers Mountains, which run diagonally through the island from northwest to south-east. Fighting now taking place at Tienhuaitang, southeast of Chunchow.

Rear-Admiral Masao Kanazawa, spokesman for Tokyo Navy Office, declared that Japanese seizure of major points on Hainan would be sufficient to "intercept arms being supplied to the Chinese." Since their landing on the island six days ago, he said, Japanese forces had advanced to points about 15 miles inland along six different routes in northern part of the island.

Tokyo **Asahi Shimbun** urged Japanese Army and Navy to occupy the whole of southwestern China, as long as Britain and France continue to assist Chinese Government.

Two more Chinese puppets connected with the Japanese-fostered regime in Shanghai met death at hands of unknown gunmen. The killed men were Tu Foh, "President of Shanghai District Court," and Kao Hung-chao, detective of the "Ta Tao" water police bureau.

Y. Miura, Japanese Consul-General at Shanghai, yesterday addressed another note to Shanghai Municipal Council, demanding suppression of terrorist activities in the Settlement. Similar request made to authorities of French Concession.

Asia Development Board, Japan's new official monopoly company to dominate China, decides to establish liaison departments on March 1 in Peiping, Shanghai, Tientsin, Suiyuan and Amoy.

Japanese naval authorities, through their consular officials, warned third-party Power shipping to avoid navigating within 30-mile radius of Taichow Bay in south-eastern Chekiang, effective at 12 p.m. today. Warning issued in view of impending Japanese naval operations in that region.

Japan to issue new bonds to meet expenses of China war. Two-bond issues will total respectively Y200,000,000 and Y100,000,000, according to announcement made by Finance Ministry.

Anonymous donor in Scotland contributed £900 to British Fund for relief of distress in China; money sent to the conference of British missionary societies.

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February 17

Namtau, three miles from Hongkong border, occupied by the Japanese. Chinese refugees rushing across the border to British territory.

All Americans on Hainan Island reported safe, according to information from Hongkong.

Japanese aircraft extensively bombing cities in all parts of Hainan Island,

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including Wenchang, Tingan, Chinchiang, Linshui and Tengchiao. Chinese populace living near the coast are withdrawing into the mountains. Vanguards of Japanese troops pushing inland said to have reached outskirts of Wenchang.

During past fortnight, Chinese air force carried out extensive raids on Japanese troops concentrations, warships, airdromes and munition dumps in Shansi, Kiangsu and Anhwei provinces. Chinese planes recently also reconnoitered over Soochow area.

Gen. Shih Yu-shan, newly-appointed governor of Chahar, reported to National Government that his troops had arrived safely in Chahar from Shantung. Gen. Shih said that his men had engagements with the Japanese almost every day on the way, the Japanese were outwitted by rapid progress of the march.

Frank Poletti, Italian, Postal Commissioner in Peiping, who was kidnapped by Chinese guerillas near Peiping on Jan. 10, released on orders from Chungking Feb. 16. The captors also returned $10,000 of $30,000 ransom which had been paid.

Replying to the Note of Japanese consular authorities on Feb. 15, C. S. Franklin, Chairman of Shanghai Municipal Council, said that the Council would take action to prevent a recurrence of terrorist activities in the Settlement.

General Chiang-Kai-shek granted permission to two foreign naval officers, one American and one British, to make the trip from Kiukiang to Kuling to arrange for evcuation of the marooned foreigners at the mountain resort. Commander C. R. Jeff of the U.S.S. **Oahu** and Commander Stafford of H.M.S. **Ladybird,** to make at ascent jointly tomorrow morning.

Japanese population at Nanking totals 4,700 and is expected to reach 6,000 this fall, according to Japanese report.

China has been fighting the battle of the United States since the outbreak of Sino-Japanese hostilities in 1937, declared J. B. Powell, American newspaperman, in speech at meeting of the University of Michigan Association in Shanghai. Japanese threat to West Coast of America seen, if invaders not checked in China.

Japanese seizure of Hainan Island meant to embarass the democracies, declared the London **Times.** Move said influenced by the axis Powers; Japanese breaches of faith said now a matter of routine.

American Girl Guides' Association sent gift of U.S. $800 to Chinese girl Guides; money transmitted to Madame Chiang Kai-shek at Chungking.

English books, valued at more than $2,000,000, which are contributed by universities and public libraries in Great Britain, are expected to be shipped to China soon for use in Chinese educational institutions.

*
**

February 18

More than ten Japanese warships concentrated off Haimen, in Taichow Bay, South-eastern Chekiang. Four of these ships said to have penetrated Chinese boom there, apparently with intention of effecting a landing.

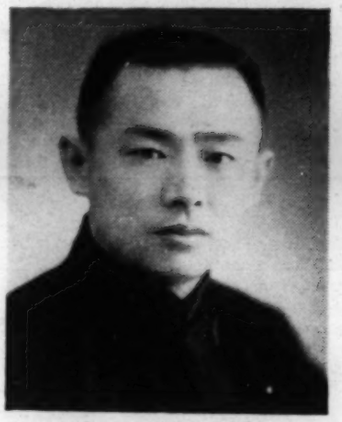
Commander C. R. Jeff of U.S.S. **Oahu** and Commander Stafford of H.M.S. **Ladybird** successfully made the trip from Kiukiang to Kuling this morning. Forty-four foreign residents decide to evacuate in accordance with Japanese warning. The 19 others decide to remain, being too ill to be moved.

China National Aviation Company granted permission by National Government to operate new line between Kunming (Yunnan capital) and Rangoon, Burma.

Hachiro Arita, Japanese Foreign Minister, told Joseph Grew, American Ambassador, that Japan's occupation of Hainan Island would not go beyond military necessities.

Who's Who in China

Yulin Hsi, C.A.; born at Shanghai, March 6, 1902; graduate of Fuh Tan University, Shanghai, 1922; awarded honorary degree of B.A., 1929; auditor-in-chief, National Special Trade Tax Office, Ministry of Finance; chief accountant, Sungkiang District Salt and Transportation Office; manager, Montigny and Bubbling Well



吳 玉 書

Yulin Hsi (Hsi Yu-shu)

Branches of Shanghai Commercial & Savings Bank, Shanghai; supervisor, Standing Committee of Chinese Chartered Accountants' Association of Shanghai; adviser, Accountants's Supervisory Committee of the Ministry of Finance; adviser on unification of accountancy system, Ministry of Industry; instructor, Fuh Tan, Chi-Tse, Chinan and Soochow Universities; now, Chinese councillor, Shanghai Municipal Council and concurrently chairman of the Council's Library Committee; member of the Control Board and treasurer, Shanghai Refugee Relief Association; director, Shanghai Refugee Relief Hospital; chief, Yulin Hsi & Co., Chartered Accountants; address: Yulin Hsi & Company, C.A., 505 Honan Road, Shanghai.

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In the United States Court for China

In re LAST WILL AND TESTAMENT of ALBERT ERNEST JACKSON, deceased.	Cause No. 4386 Estate No. 2265 NOTICE Filed at Shanghai, China, February 16, 1939. WILLIAM T. COLLINS, Clerk.

NOTICE IS HEREBY GIVEN that Vivienne Wells Jackson has filed herein a petition for the probate of an instrument purporting to be the last will and testament of Albert Ernest Jackson, deceased, praying for an order admitting said instrument to probate and for the issuance of letters testamentary to her; and that the 8th day of April, 1939, at 10 o'clock in the forenoon of said day at the court room of the United States Court for China at Shanghai, has been set aside for the hearing of said petition, and all persons interested are hereby notified to appear at the time and place set for said hearing and show cause, if any they have, why the prayer of said petition should not be granted.

Reference is hereby made to said petition and to the citation heretofore issued herein for further particulars.

Dated February 16th, 1939.

WILLIAM T. COLLINS,
Clerk,
United States Court for China.

SELLETT & NELSON,
Attorneys for Petitioner.

Men and Events

Dr. and Mrs. Francis D, Nance have returned to Shanghai from a trip to Singapore.

*

Mrs. Charles Gee, whose husband is connected with the National Aniline and Chemical Company at Hongkong, has departed from St. Louis, with their three children on their return to the Far East.

*

Mr. and Mr. Robert Dollar II have announced in telegrams to friends in Shanghai, the birth of a daughter, Alice Elizabeth, who was born on Feb. 17. Mr. Dollar, who is the son of the late J. Hafold Dollar, was born in Shanghai. He is now residing in San Francisco as also is his mother, Mr. Alice Dollar.

*

According to a *Domei* announcement, "Japanese salvage experts succeeded where their British competitors failed twice," the reference being to the salvaging of the Swedish steamer Tonkin, which sank off Penang sometime ago, following a disastrous fire. The Japanese salvaging firm, according to the announcement, lifted the boat after 50 days of effort.

*

Quentin Roosevelt, grandson of the late President Theodore "Teddy" Roosevelt, who is now a student at Harvard, announced on Feb. 23 that he was departing on March 1 for Yunnan province of China where he would search for documents concerned with the religious beliefs of the Nashi, a non-Chinese aboriginal tribe of southwestern China. His trip is being taken under the auspices of the Boston Museum of Fine Arts. When his father, Col. Roosevelt headed an expedition into Indo-China, western China and Tibet in 1925 and 1929, he collected materials for the Field Museum of Chicago. Col. Roosevelt published two volumes on his trip, "Trailing the Giant Panda," and "The Three Kingdoms of Indo-China."

*

The American Chamber of Commerce, at its 24th annual meeting held at the American Club in Shanghai on Friday, Feb. 24, elected the following members of the Board of Directors, P. H. Bordwell, President Lines; A. C. Cornish, Standard Oil Company; C. S. Franklin, chairman of the Municipal Council; J. Fistere, National Aniline and Chemical Company; R. E. Gilliland, Andersen, Meyer and Company; U. S. Harkson, Henningsen Produce Company; A. B. Henningsen, Getz Bros. and Company; J. A. Mackay, National City Bank; R. E. O'Bolger, Eastman Kodak Company; H. E. Page, China General Edison Company; J. E. Perkins, Paramount Films of China; L. M. Pharis, Shanghai Power Company; A. E. Schumacher, Chase Bank; Bruce Smith, Mark L. Moody Company; J. C. Williams, Texas Company. A. E. Schumacher presided at the meeting while among those present were C. E. Gauss, Consul-General; Col. J. C. Fegan, Commander U. S. Fourth Marines; A. Bland Calder, Acting Commercial Attache; A. Viola Smith, U. S. Trade Commissioner; R. T. Evans, member of American Chamber of Commerce at Tientsin. A resolution was passed commending the efforts of the General Electric Company in attempting to broadcast programs to Shanghai from the Golden Gate exposition at San Francisco. Officers of the Chamber for the coming year will be, President, A. E. Schumacher; Vice-President, R. E. O'Bolger; Treasurer, Bruce Smith; Secretary, J. M. Howes.

Pei Shing-cheng, 24-year old son of the manager of the Bank of Pootung, was sentenced to 50-days in jail for stealing the sum of $40 from a man who was visiting his father. Young Pei admitted that he had taken the money from the guest's overcoat pocket and had lost it in gambling at the Hollywood Garden roulette games at Jessfield.

*

W. A. Sipprell, who represented the firm of Wm. Hunt and Company at Hankow, departed for the United States last week on the Empress of Canada. He was accompanied by Mrs. Sipprell. Mr. Sipprell became ill at Hankow several months ago but was not permitted to leave Hankow because of objections of the Japanese military authorities. He finally came to Shanghai recently and was taken to a local hospital where he remained until taken aboard ship.

*

The Young Men's Military Service Corps, consisting of 300 youths of Osaka prefecture, returned to Japan last week after a month's tour of all major battlefields of the Sino-Japanese war. They visited at Soochow, Nanking, Wuhu and other cities of the lower Yangtsze valley and also, while here, planted azalea trees at the Japanese Tazang War Memorial near Shanghai. They also visited Japanese military detachments on duty, did some work on military highways, cleaned military barracks and assisted the Japanese Army in digging trenches.

*

Dr. Anne Walter Fearn, for many years a resident of Shanghai, is now residing at Claremont Hotel, Berkeley, California. Her new book, which is entitled, "My Days of Strength—An American Woman Doctor's Forty Years in China," will be published in April. Dr. Fearn was assisted in completing the book by Miss Frances Russell, who was formerly employed on the *North-China Daily News*. The new book will contain an introduction by Carl Crow, who is himself completing another book, "The Life of Townsend Harris," first American Minister to Japan.

*

The executive committee of St. Andrew's Society, one of the oldest British organizations in Shanghai, held a luncheon at the Shanghai Club on Friday, Feb. 25 at which the guests of honor were Sir Rober-Calder-Marshall and the Rev. J. A. Williamson, M. A., C. F., Chaplain of the Seaforth Highlanders, now stationed in Shanghai. W. J. Keswick, president of the society, congratulated Sir Robert Calder-Marshall on the recent honor granted him by the British Government. He said that Sir Robert had been a member of the organization for 32 years and deserved the title, "Grand Old Man of Shanghai." Mr. Keswick also thanked Rev. Williamson on behalf of the committee for services which had been rendered to Scotch residents of Shanghai.

*

Fumitake Konoye, 24-year old son of Prince Ayamaro Konoye, former Premier of Japan, has arrived in Shanghai to become the Dean of Men at the local Japanese Tung Wen College, Japanese educational institution which is occupying the seized premises of the Chinese Chiaotung Engineering University. The Japanese military authorities seized the Chinese school at the time of the occupation of the Shanghai district and turned it over to the Japanese school. The Japanese school was burned during the course of the hostilities. Young Konoye is a graduate of Princeton University of the United States. He was accompanied to Shanghai by Itsuki Saito, former Commissioner of Police in Tokyo who is now an adviser to the Japanese Special Landing Party.

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Pucheng	Chengchow	*Wanhsien*	Changsha
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The China National Athletic Association (*Kuomin* Feb. 25) has voted to send a football and a basketball team to the World Olympic Games, scheduled for Helsingfors, Finland in 1940.

*

V. F. Meisling, member of the reportorial staff of the *North-China Daily News*, has departed for the United States on home leave. He also will visit in Great Britain and Denmark prior to returning to Shanghai.

*

Pan Kung-chan, formerly Commissioner of Social Affairs of the Chinese Municipality of Greater Shanghai, has assumed the post of deputy director of the Central Publicity Department of the Kuomintang Party at Chungking.

*

Representatives of various branches of the British Institute of Mechanical Engineers and the Institute of Civil Engineers, participated in the annual meeting of the organizations which was held in Shanghai on the evening of Thursday, Feb. 23. Honorary guests included Sir Archibald Clark Kerr, British Ambassador and Sir Herbert Phillips, Consul General.

*

Admiral and Mrs. H. E. Yarnell were guests of honor at the annual Washington Birthday Dinner given by the Shanghai chapter of the Daughters of the American Revolution. The dinner was held at the American School. Miss Cornelia Richardson, regent of the chapter, introduced Admiral Yarnell, who spoke on the difficulties of Washington in the course of the military campaign for American independence. He said that Washington's difficulties were lack of money, food, clothing and ammunition and his army suffered from lack of unity, but Washington's persistence and patriotism won for him the title of "Father of His Country. The talk was followed by a musical program.

*

Another attempt to cross the Pacific in a Chinese junk ended in near-disaster at Luna in La Union province of the Philippines on Feb. 24, according to *United Press* message from Manila, stating that the junk "Adventure" carrying eight Europeans, two attractive Russian girls and a Chinese, all from Shanghai, had run aground and was abandoned as a result of heavy seas. The Adventure left Shanghai on Dec. 13 but was forced to return when fired on by Chinese pirates outside Woosung. It then made another attempt on Dec. 31. All of the foreigners were local White Russians, two of them, Leo Tomashevsky and Leo Rudchenko, being former members of the French Police Department. The girls, formerly employed at a restaurant on Ave. Joffre, were Misses Olga Alksner and Luba Schennikoff.

*

Dr. William T. Findley, 67 years of age, one of the oldest and best known Americans in Shanghai, died at the General Hospital on the evening of Thursday, Feb. 23. His dealth was due to cancer of the stomach from which he had been suffering for some time. Dr. Findley came to Shanghai 29 years ago from Cincinnatti and first was an employee and later proprietor of the optical firm of Dr. John Goddard. He is survived by a sister, Miss Margaret A. Findley, who resides in Cincinnatti. He was one of the promoters of the American Club and served one term as president. In recent years he had resided at the British Shanghai Club, of which he was a member. He also served on the committee of the French Club. His funeral was conducted on Sunday, Feb. 26 from the Kiaochow Road funeral parlors, the pall bearers being M. Speelman, J. S. Potter, C. S. Franklin, H. F. Payne, R. H. Parker, S. R. Price and E. Mathieu.

Henri Cosme, recently appointed French Ambassador to China, was expected in Saigon, Indo-China on Feb. 24 on his way to Chungking to present his credentials.

*

Adolph Hitler has presented two beautiful porcelain vases to Emperor Hirohito. The presentation was made by Major-General Eugen Ott, German Ambassador, at the Imperial Palace in Tokyo on Thursday, Feb. 24.

*

The membership of the Paris trade union federation has dropped by 50 per cent, from 1,350,000 two years ago to 689,000, according to *Transocean*. The decline, says the German agency, is attributed to "failure of the Popular Front movement" and the "fiasco" of the recent general strike.

*

Senor Alexander Konder, political reporter on the staff of the Rio De Janeiro newspaper *Gazette de Noticias* arrived in Tokyo on Feb. 25 as a passenger on the Japanese ship Rio De Janeiro Maru. He is accompanied by his wife and two children and plans to spend considerable time in Japan collecting material for a history of Japan.

According to a census taken by the Japanese supervised police at Peiping, the city now has 1,624,524 people, of whom 992,368 are men and 632,156 women. It was claimed that the population of the city has increased 100,000 since the last census taken by the Chinese authorities in August, 1937, just prior to the outbreak of hostilities.

*

Chinese lumber merchants who had yards in Nantao, chiefly along the Whangpoo, have lost more than $20,000,000, as a result of the Japanese occupation, according to the *Wen Hui Pao* which stated (Feb. 22), that much of the lumber was of valuable types used in the manufacture of expensive Chinese coffins.

*

Emperor Hirohito, on Feb. 24, granted high decorations to Pibul Songgram, Siamese Premier and Minister of National Defense and Home Affairs; Luang Sindhu Songgram Jaya, Minister of Navy and Public Instruction and President of Naval Staff College, and three other Siamese officials. The decorations were given in recognition of the services rendered by the Siamese officials in promoting friendly relations with Japan.

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O. G. Steen, general manager in the Far East for the President Lines, departed this week on a business trip to Hongkong.

*

Donald Davies, who represented the *Associated Press* at Chungking and elsewhere in West China, arrived in Shanghai this week and will remain here for some time.

*

J. A. Mackay, Assistant Vice-President of the National City Bank of New York and supervisor of China branches, departed this week on a business trip to Tientsin and Peiping.

*

The offices of the Swedish Legation in China, previously located at 169 Yuen Ming Yuen Road, Shanghai, have been removed to No. 9 Quai de France, French Concession. The new telephone number is 84100.

*

According to the *Asahi* the Japanese Government has informed the people that the compulsory buying of gold regulations has excluded gold which is attached to national treasures and similar precious articles—and also gold teeth.

*

To provide amusement for Chinese in Hongkew, a movie theater with 3,500 seats will be opened March 1 under the direction of the Eastern Troupe, a pacification unit, the Shanghai *Mainichi* reported Feb. 23. Operated under joint Sino-Japanese management, it will be called the Fooming Theater and will be situated at the site of the former Kwangtung Theater on North Szechuen Road. This building was damaged in the hostilities and repaired recently.

*

Rufus Woods, publisher of the *Wenatchee World*, Wenatchee, Washington, one of the leading newspapers of the U. S. Pacific coast, is visiting in Shanghai on a trip of investigation through the Far East. Mr. Woods was one of the first and is still the most potent champion of the Grand Coulee power dam and irrigation project on the Columbia River. He is also an authority on the resources of Alaska. From Shanghai, Mr. Woods is planning to proceed to Hongkong and South China and possibly the Philippines.

*

A large number of members and guests, together with their families, attended a Washington Birthday dinner and reception given at the Fleet Reserve Rendevous, 106 Road, by the Recently organized Panay Memorial Association The Association is composed of American World War Veterans. Among the members and guests, many of whom were accompanied by their families, were Leon Anderson, C. Hess, M. Varnum, George Stephenson, A. Wallace, John B. Powell, J. C. Conder, R. J. Vasper, P. L. Murchdant, J. L. Perkins, Mrs. Rickett, Mrs. Lee, Misses Francis and Edna Hess and Aloha Stritzel.

*

The issue of *Time* for Jan. 23 contains an interesting account of the life and writings of William Faulkner, whose book, "The Wild Palms," is now a best seller in the United States. The book deals with Mississippi River floods, broken levees and bayous and the people of the Baton Rouge district. Faulkner is a native of the town of Oxford, Mississippi, familiar to some Shanghai residents who also came from that section. Mrs. Faulkner was formerly Mrs. Estelle Oldham Franklin, former resident of Shanghai, who is the mother of two Shanghai-born children. Author Faulkner has written fifteen novels, one of which, "White Rose of Memphis," sold 150,000 copies, but none touched the success of his present book.

Thinks Sino-Japanese War Will Last Two Years More

Dr. William Sumner Appleton Pott, President of Elmira College, Elmira, N. Y., declared, in the course of an address in Kansas City on Jan. 15 that the popular belief that China would absorb Japan was a fallacy. Dr. Pott is a son of Dr. F. L. Hawks Pott, President of St. John's University, Shanghai. He was born in Shanghai, is well known in the Far East as a former tennis champion and athlete. After completing his studies here, he attended the University of Virginia where he received the degree of Doctor of

Dr. W. S. A. Pott, son of Dr. F. L. Hawks-Pott of Shanghai.

Philosophy and later joined the faculty of that institution. He then went to the University of California as head of the Oriental Department, but resigned to accept a position with General Motors where he remained up to his acceptance of the Presidency of Elmira College, one of the oldest women's schools in America. In explanation of his disbelief in the "absorption" theory, Dr. Pott stated that China had absorbed previous conquerors because they were barbarians who had "absorbed" Chinese culture. Japan is a modern nation with a civilization of her own. He expressed the opinion that the struggle between China and Japan is a race against time and probably would last for two years more. He said that the struggle between the two nations had surprised the world in two ways, first that China was able to hold out and seemingly was as strong as ever after nineteen months of strife; second, that Japan was able to stand the financial strain of a war which was costing between U. S. $2,000,000 and $3,000,000 daily. The subject of Dr. Pott's address was, "What Should We Do About China?"

Japanese Army Curbs Height of Kaoliang in North China

The Japanese military authorities in North China have issued an order prohibiting the growing of kaoliang and bamboo over five feet high within 500 meters of railways, within 300 meters of main highways, and within 300 meters of airdromes.

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New Books of Interest in the Far East

China's Peasant War

BAUERNKRIEG IN CHINA—By Von Gustav Amann. Heidelberg-Berlin-Magdeburg, 1939. Kurt Vowinkel Verlag. 152 pp. Mit 19 Abbildungen und 5 Karten. Erstauflage. Reichsmark 6.50 (about Chinese $17.00).

The title of this book, literally translated, means "peasant war" in China. To the German reader these words are fraught with meaning both obvious and ominous, and presumably not familiar to non-Germans. Early in the sixteenth century, an enormous peasant uprising laid waste large tracts of Germany. This "peasant war," as it came to be called, though profoundly influencing the history of that time, ended in complete and disastrous defeat for the peasants, of whom countless thousands were massacred by their betters. Various forms of agrarian Communism made their appearance during the "peasant war." There is a study on the subject by no less an authority than Friedrich Engels, in which this author developed the theory that peasant uprisings without proletarian leadership (which of course, could not be forthcoming in the 16th century) are foredoomed to failure. Incidentally, some folksongs which originated during the "peasant war" have remained in common use until today, or at least until the Nazis came into power. One of them concludes: "We are beaten, but our grandsons will win." Of classic writers, Goethe, and of moderns, Gerhart Hauptmann, have written dramas about the "peasant war," not to mention scores of lesser lights.

It is with great interest that the reviewer has read Herr Amann's book. Amann, who originally became known both as a close friend of Dr. Sun Yat-sen and an adviser to the Chinese government, is a man who knows China thoroughly, as shown in his former books. He is warm-hearted and sympathetic, and what he saw and experienced accordingly sounds genuine, vivid and real. He does not consider the consumptive coolies and the destitute landless peasants mere beasts of burden. On the contrary, they are to him human beings, victims of a sad plight brought about by the combined forces of tradition, pressure of population and lack of social reform.

Though the book has been published in the current year, it was finished some time before the present Sino-Japanese hostilities got under way. The last chapter deals with Japan's Jehol campaign and the subsequent short-lived armistice. The book, accordingly, is not up-to-date, yet it contains important background information on conditions in China, some of which may be useful even to Chinese. The book explains at length why agrarian reform is inevitable and as the problem is bound to crop up once more after the termination of hostilities, this point is of prime importance.

The self-imposed task of the author was in the main to give a brief outline of China's "peasant war" in the 1932-1935 period, when it raged mainly in Hunan and the adjoining provinces. Further, he endeavors to explain how this large-scale civil war came about and why such a large number of peasants in three populous provinces turned Communists.

The author is German and the book is put out by a German publishing house. Accordingly, the fear that the author might succumb to the temptation of comparing Chinese to German conditions appeared not altogether unjustified. Yet he is to be congratulated upon having abstained from crying the wares of National Socialism and on having turned out a sound and scholarly study.

He confines himself to discussing the situation of the Chinese farmers, especially in the period subsequent to the Kuomintang's seizure of power. The author likewise deals with plans for agrarian reform, scores of which have been mapped out but which rarely, if ever, got beyond the blueprint stage. A special chapter is devoted to the social reforms engineered by Chiang Kai-shek after he had succeeded in suppressing the peasant revolt and in pacifying the affected provinces, which had suffered enormously.

The blame for the clash between the Government troops and the peasants, in the opinion of the author, is to be laid mainly at the door of Dr. Sun Yat-sen. The latter's social program has remained a living issue to this day, and brought forth a very vigorous response indeed throughout rural China, especially in the provinces later ravaged by civil war.

Amann also devotes some space to explaining just how and why so many peasants turned Communists. Farmers and soldiers, in his opinion, both were being persecuted because they demanded a just social order—"social justice." This point is deemed to have been of far greater importance than mere Communist indoctrination.

"The agrarian problem is at the root of Chinese economics and politics, and decisive for the country's future," Amann concludes. He might just as well have put this sentence at the opening of his chapter on Chiang's social reforms. Chiang, in the author's opinion, has been able to keep his administration within the framework of the traditional Chinese mode of thought, yet at the same time has been successful in instilling a spirit of modern progress and of carrying out positive measures within that age-old framework.

The last chapter, as previously mentioned, concludes by reviewing the Sino-Japanese hostilities near the Great Wall in 1932. This is why the book ends with a question mark rather than in a positive mood. Yet the author goes on record as being deeply impressed by China's new nationalism and by the personality of Chiang, the "victor of a hundred battles," whom he considers to have stood the test of time both as a military leader and a statesman.

The author strongly believes in a bright future for China.

J. R.

Germany and Rearmament

FOREIGN POLICY REPORTS—October and November, 1938. Published by the Foreign Policy Association, New York, at 25 cents a copy.

The four Foreign Policy Reports for October and November, while on different topics: Economic Consequences of Rearmament, the Nazi Drive to the East, International Aid to German Refugees, Partition of Czechoslovakia, are really closely related. Germany takes a leading part in each report. The desire of the Reich to be the dominant military power of Europe may be said to have been the primary cause for the increase of world armament costs from approximately four billion American dollars in 1933 to more than seventeen billion in 1938. Such increase has not only distorted the national economy of virtually every industrial nation, but it threatens ruinous inflation or national bankruptcy in both democracies and dictatorships.

Along with rearmament, Germany annexed Austria, thereby gaining not only trade control of southeastern Europe but railway control between the Adriatic and

the Baltic. The dismemberment of Czechoslovakia has made that country dependent on the Reich, and the indications are that the new trend of Rumania, Yugoslavia and Hungary will be peaceful submission to Berlin economically and, quite probably, politically.

With all her progress in Europe Germany has caused another international problem, that of her German-Jewish refugees. Since 1933, the lot of the Jew in Germany has been pitiful. After Austria and Czechoslovakia, the number of potential refugees became larger, and with further expansion into the Balkans the potential refugees would be much further swelled. Thus, the problem of Jewish refugees may soon become a dominant factor in the political situation of Europe. The International Committee is canvassing all possibilities to ameliorate the lot of such refugees, but there are tremendous national trade and migration barriers to surmount to ease the tension caused by totalitarianism.

M. V.

Manchukuo Joins Anti-Comintern Pact

Protocols relating to the adherence of Manchukuo to the tripartite Anti-Comintern Pact were signed in Hsingking on Feb. 24. Gen. Chang Ching-hui, Premier of Manchukuo, Gen. Kenkichi Uyeda, Japanese Ambassador to Manchukuo, Dr. Wilhelm Wagner, German Minister, and Signor Luigi Cortese, Italian Minister, attached their signatures to the document.

The following afternoon, 20,000 persons, consisting of members of the Concordia Society, the only political party existing in Manchukuo, and middle school students, paraded through the streets of Hsinking in an officially-organized "celebration" of the event.

A meeting to prepare for the Asia Anti-Comintern Committee's conference to be held in Tokyo on Sept. 20 and 21 was held by the Japan-Germany-Italy Friendship Society in Tokyo the same day.

Dr. Tadaoki Yamamoto, chairman of the Board of Directors of the society, presided. The meeting was attended by 20 persons representing various foreign relations societies, religious bodies and foreign embassies in the capital. It was decided to invite representatives from China, Manchukuo, Mongolia, Burma, Afghanistan, Philippine Islands, India, Persia, Netherlands East Indies and French Indo-China.

Manchukuo will station special commissioners to secure and exchange information regarding the activities of the Communist International in Berlin, Rome, Budapest, and Tokyo, it was announced in Hsinking.

Totalitarian Party Plan Is Shelved Temporarily

The previously adopted plan to form a totalitarian party in Japan, considered for some time by the Social Masses Party and the Tohokai Party, has been shelved, at least for the time being, says a *Domei* report. An agreement to abandon the plan was reached by the preparatory committee at a meeting on Feb. 22.

"The time is still premature for the organization of a new political party by merging the three present parties," the Social Masses, Tohokai and Farmers Party announced in a statement. They would wait for another chance to realize their plan by keeping friendly relations in accordance with statements issued by the presidents of the Social Masses Party and the Tohokai Party, the statement said.

Ex-Ambassador Saito Dies in Washington

Hiroshi Saito, Japanese Ambassador to the United States until a few months ago, died Feb. 26 in Washington of a lung disease from which he had suffered since last autumn.

His death was totally unexpected, for no fatal issue to his illness was foreseen. He had, until his final weak hours, made plans to return to Japan in the near future.

Upon learning of the former ambassador's death, Mr. Cordell Hull, Secretary of State, expressed his regrets in a communique voicing the great sorrow that the news had caused him. He added:

Worked Hard

"During the past five years, Mr. Saito worked ceaselessly, with understanding and sympathy, for the maintenance of friendly relations between his country and the United States.

"Problems which were brought up called upon his failing strength to such a degree as perhaps to hasten his end.

"Mr. Saito lived as a devoted and loyal servant of his Emperor and his country, and his death will be deeply regretted by his fellow-citizens and by the many friends that he made in the United States and other countries where he had served."

After graduating from the Tokyo Imperial University in 1919, Mr. Saito was appointed to a post in the Foreign Office. His career included service as consul-general in New York, minister to Prague, chief of the Information Bureau of the Foreign Office, counsellor to the Embassy in London, minister to the Hague and ambassador to the United States. He was sent to America in 1933 and resigned the ambassadorship in October of last year because of ill health.

Two Local Native Banks Closed Down at New Year

Forty-one local native banks reopened for business after the New Year Holidays. The Hung Hsiang and Teng Yu Native Banks, however, decided to remain closed and to wind up business. Located at Chang King Terrace, Tientsin Road, the Hung Hsiang Native Bank is capitalized at $420,000. The Teng Yu Native Bank, located at House 4, Lane 74, Ningpo Road, has a capital amounting to $400,000.

Japanese Erect Live Wire Around Tientsin

Early this week, Japanese troops, were feverishly erecting barricades, and also installing a ring of live wire, completely isolating the British and French Concessions a *Reuter* report from Tientsin stated. Communication with the outside areas, however, through several exits, has hitherto remained unrestricted.

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Manchukuo Border Clashes Continuing

Killing one and taking another prisoner, Japanese patrols repulsed the attempt of three Soviet soldiers to cross the eastern Soviet-Manchukuo border at 5 o'clock last Sunday evening, a *Domei* dispatch from Mutankiang reported.

The crossing attempt was made on a hill four kilometers north of the Number One Border Post, about 35 kilometers north of the eastern border town of Suifenho, the message said. The Japanese suffered no casualties, the dispatch stated.

On Feb. 23, according to an earlire *Domei* report from Harbin, some 50 Soviet cavalrymen with heavy machine-guns were repulsed in a two-hour clash with Japanese forces after they had crossed the Manchukuo border near Sanho and Luka. One Russian was killed, the message said. The clash was the seventh during last month.

Soviet domination of Outer Mongolia has been strengthened by the completion of a 600-kilometer railway between Ulanude and Ulan Bator, the capital, according to a press message from Houko, Suiyuan, relayed to Shanghai from Tokyo by *Domei*. The railroad was expected to become an important route for transportation of arms to the Chiang Kai-shek regime from the Soviet Union by way of Ulan Bator and Suchow in Kansu Province, the message said.

Nazis and Russians Execute for Treason

Russians and Germans competed with each other last week in reporting "the other fellow's" treason trials and executions. According to a Berlin report circulated by the Soviet service three young Germans, Adolf Erbrich, Wilhelm Morczek and Bruno Labisch, were executed for treason in Berlin on Feb. 24. The Soviet report alleged that these executions brought the number of such killings in Germany to more than 20 since the beginning of the year.

On the other hand the German *Transocean* service (Feb. 24) reported from Moscow that eight men "accused of espionage on behalf of a Far Eastern Power," were sentenced to death at Semipalatinsk, Western Siberia. The German news service also reported (Feb. 26) that it had been necessary to open a new prison for the confinement of political prisoners in Moscow, this being the third opened for that purpose. It was alleged that the "giant jails at Buryrka and Taganka had proved insufficient to hold all political prisoners.

The Russians answered German charges of disloyalty in the Soviet Army by taking advantage of the anniversary of the Soviet Army to administer a new oath of loyalty to the Government. The occasion was designated as the "coming of age of the Army," and was participated in by every member of the armed forces from commanders down to the rank-and-file. Each soldier took an oath to be "honest, courageous, disciplined and vigilant."

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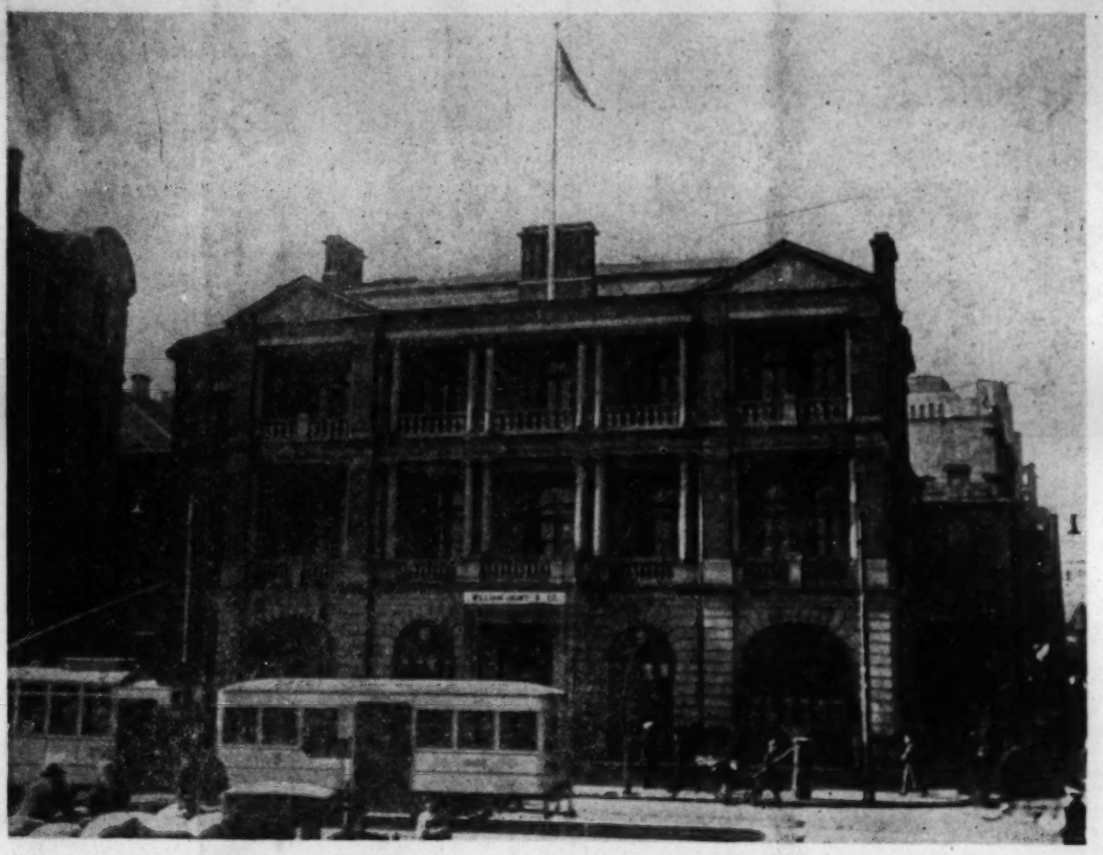

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